380.52
R13m

DOT-OS-40071
May 1975

motor common carrier freight rate study

for nine western states

May 1975
Final Report

PREPARED FOR
FEDERATION OF ROCKY MOUNTAIN STATES, INC.
DENVER, COLORADO 80211
IN COOPERATION WITH
DEPARTMENT OF TRANSPORTATION
OFFICE OF POLICY DEVELOPMENT
WASHINGTON, D. C. 20590

STATE DOCUMENTS COLLECTION
JUL 10 1979
MONTANA STATE LIBRARY
930 E Lyndale Ave.
Helena, Montana 59601

PLEASE RETURN

Montana State Library
3 0864 1006 2727 5

RECEIVED
DEC 22 1975
ENVIRONMENTAL QUALITY

PREFACE

The purpose of this study is to develop and analyze data about the availability of interstate motor freight carrier services and the structure of their freight rates in nine western states. The following synopses taken from the work statement for the project indicate specific tasks to be performed:

(1) Assemble representative data on interstate motor carrier freight rates from official tariff sources covering the states of Colorado, New Mexico, Utah, Idaho, Montana, Wyoming, Nebraska, North Dakota, and South Dakota, and between these states and significant points both west and east of this group of states.

(2) Provide an analysis of the rate data sufficient to illustrate the characteristics of the structure of rates.

(3) Evaluate the impact of motor carrier certificate restrictions imposed by the Interstate Commerce Commission for the adequacy of service to the Rocky Mountain region. Include data on gateway and route restrictions.

(4) Provide an analysis of the economic impact of the motor rate structures and service availability upon the economic development of the region.

(5) Provide an analysis relating various features of the motor rate structure to general data and trends.

(6) Develop conclusions and plans for correcting deficiencies and imbalances.

The research team wishes to carefully avoid any implication that the motor freight carrier industry is responsible for any lack of economic development in the region under consideration. The motor carriers themselves are part of the economic structure of the area and have problems similar to those of any other local businessmen who must develop a satisfactory volume of profitable business in order to survive. Very little reliable information has been assembled about transportation's role in the economy of the project study area. This study is a beginning attempt to assemble such information.

This report consists of eight chapters organized to provide a logical approach to the specific tasks enumerated in the work statement for the project.

Chapter 1 describes the need for the study, repeats for emphasis the statement above to avoid placing blame on the motor freight carrier industry and describes the selection process for representative points.

Digitized by the Internet Archive
in 2012 with funding from
Montana State Library

http://archive.org/details/motorcommoncarri45mcel

Chapter 2 deals with the availability and adequacy of carrier service and with the matter of certificate and gateway restrictions. These matters are called for in Task 3 and to some extent in Task 4. Since they help describe the population being examined, they were placed ahead of the freight rate analysis.

In Chapter 3 the matter of service availability is extended to rate matters where the rates of different modes of transport are compared.

Chapter 4 begins the freight rate analysis, a discussion of three hypotheses about freight rates to be tested by the data in the following chapter. Chapter 4 perhaps contributes mostly to the satisfaction of Task 2.

The most substantial assembling of data is undertaken in Chapter 5. A data set is presented consisting of three rate-group maps and accompanying tables for each state. Thus, a total of twenty-seven maps and twenty-six tables are included in the chapter. This substantially accomplishes Task 1.

Certain rate-mile relationships and class rate percentage comparisons are dealt with in Chapter 6. This contributes further to Tasks 1 and 2.

Chapter 7 deals specifically with the matter of commodity rates which lack the easy comparability, state to state, of the class rates treated in the previous chapters. This work is ancillary to the previous analyses in response to Tasks 1 and 2.

Economic impact upon the development of the region is the subject of Chapter 8 as specified in Tasks 4 and 5.

Finally, Chapter 9 makes recommendations for the future and sets forth different possible actions which could change the situations revealed by the study.

Freight rate economics, structure and publication are not subjects which lend themselves well to analysis by mathematical and statistical techniques. Exercises attempting to relate dependent to independent variables usually result in proving the simpler propositions which were already obvious to the transportation expert. A more useful course is to assemble data in orderly fashion and subject it to analysis by various experts so that an averaging of their views produces an objective result.

Such a method was used in this project and valuable inputs have been contributed by participants throughout the nine-state project study area. This gives the study a degree of representativeness which would not have been possible had the effort been completely centralized. The following summary includes most of those who have contributed.

The prime contractor for the project was the Federation of Rocky Mountain States, Inc., headquartered in Denver, Colorado, under the leadership of Jack M. Campbell, president.

General supervision of the project was the responsibility of Dr. Donald W. Galvin, vice president of the Federation. Dr. Galvin coordinated all phases of the study and maintained liaison with the Regulatory Agencies Committee of the Federation which carefully monitored each step in the preparation of the report.

Members of this committee, themselves, are all transportation authorities who provided significant information at each of the monthly meetings held during preparation of the report. They are:

Chairman: Ralph H. Knull, Superivisng Rate Expert
Colorado Public Utilities Commission

Charles Brown, Transportation Rate Analyst
Idaho Public Utilities Commission

F. G. Fisher, Administrator
Montana Public Service Commission

James Payne, Director Rates and Services
Nebraska Public Service Commission

Howard A. Geis, formerly Director Traffic and Rate Division
New Mexico State Corporation Commission

Tom Wright, Traffic Director
North Dakota Public Service Commission

E. P. Springer, Transportation Rate Analyst
South Dakota Public Utilities Commission

Ron Casper, Secretary
Utah Public Service Commission

William L. Johnson, Director Rate and Tariff Department
Wyoming Public Service Commission

The principal research team was made up of members of the consulting staff of Mountain States Commerce & Traffic Services, Inc., of Denver, Colorado. The team was headed by Paul T. McElhiney, Ph.D. This organization, in addition, provided access to extensive files of data and its complete freight rate tariff library. Participating members of the staff were:

Gerald T. Boyle, M.A., Registered Practitioner before the ICC and President, Mountain States Commerce and Traffic Services

Paul T. McElhiney, Ph.D., Registered Practitioner, Principal Investigator, on leave as Professor of Marketing and Transportation from California State University, Los Angeles

John H. Anderson, General Manager, Mountain States Commerce & Traffic Services

Carl B. Hewett, Registered Practitioner

Winston A. Hollard, Registered Practitioner

James G. Murray, Consultant

Mrs. Edna Parr, art work

Information and advice about freight rates and rate structures in other states were provided by individual outside consulting firms and experts. Some of the freight rate maps were also prepared by these organizations, which are as follows:

F. L. Sigloh & Associates, Boise, Idaho

A. Milton Evans, formerly of Western South Dakota Traffic Bureau, Rapid City, South Dakota

H. E. Colwell, Intermountain Traffic Service, Salt Lake City, Utah

The typescript, design of tables and charts, editing and proof-reading of the many drafts and issues of the report were performed by Sylvia Blomquist of the Federation of Rocky Mountain States.

The primary author wishes to thank all those named and all unnamed persons who contributed to this worthy group effort.

Paul McElhiney
Denver, Colorado
1975

TABLE OF CONTENTS

		Page
Chapter 1	Introduction	1.1
	Need for the Study, Selection of Representative Points.	
Chapter 2	Availability of Motor Carrier Service	2.1
	Availability of All Modes, Actual Provision of Service, Rail Carriers, Air Carriers, Motor Carriers, Dormant rights, Measuring Certificate Utilization, Quality of Service, Gateway and Route Restrictions, Economic Effects of Irregular Carriers.	
Chapter 3	Intermodal Rate Comparison	3.1
	Modal Comparison of Freight Rates, General National Comparison, Regional Comparison, A Specific Comparison	
Chapter 4	Introduction to Rate Investigation	4.1
	The Introductory Hypotheses, Through Rates and Rate Groups, Rates to Non-Rate-Group Points, Intermediate application, Combination of local rates, Arbitrary rates, Mileage rates, Rate to Mileage Relationship	
Chapter 5	Discussion of Data Sets	5.1
	Introduction, Three rate-group maps and accompanying rate rate tables are presented for each state.	
Chapter 6	Rate Level and Mileage Relationships	6.1
	Rate Levels, Rail-Highway Rate-Mile Relationships, Rail-Highway Rate-Mile Data Comparison, Class Rate Percentage Relationships, Hypothesis about Motor Carrier Class Rates, Sub-conclusion Regarding Percentage Relationships.	

Page

Chapter 7 The Role of Commodity Rates 7.1

Method of Investigation, Nature of Commodity Rates, Exception Ratings, Importance of Commodity Rates in the Project Study Area, Percentage of Commodity Rate Traffic in Rocky Mountain Region, Traffic Imbalance, Hypotheses about Commodity Rates, Consist of Traffic, Agricultural Traffic, Responses to Hypotheses.

Chapter 8 Economic Impact of Motor Carrier Service 8.1

Carrier Service Availability, Amount of Competition, Effect of Restrictions, Unfortunate Route Structures, Summary of Impact of Service Availability, Impact of Intermodal Rate Competition, Economic Impact of Rate Structure, Impact of Intermediate Application, Impact of Arbitrary Rates, Inconsistencies from different origins, Application in addition to group rate, Impact of Rate Group Situation, Impact of Rate Levels, Impact of Class Rate Percentage Relationships, Impact of Commodity Rates.

Chapter 9 Possible Programs of Change 9.1

Mere Differences Not Necessarily Unreasonable, Need for Further Information, Suggestions Related to Specific Findings of Report, Priority of Activities for Change, Activity at Local Level, Appeal to State Regulatory Body, Action at Federal Level, Carrier Service Availability, Local Action on Availability, Action on Availability by State and Federal Regulatory Agencies, Need for inventory of certificates, Restructuring of routes, Possible Legislative Action on Carrier Service Availability, Motor Freight Carrier Rate Structure, Problem: Through Rates and Arbitraries, Problem: Rate Levels and Class Rate Percentage Relationships, Problem: Commodity Rates, Possible Legislative Change, Closing Remarks.

CHAPTER 1

Introduction

Need for the Study

In contrast with other regions of the nation, the nine study area states are characterized by great differences in geography, climate and productivity of the land, and by few large concentrations of population and relatively great distances between major cities. They have the lowest ratio of population to land of any states in the nation--on the average fewer than 10 persons per square mile. A large percentage of each of the states has less than five persons per square mile. These states also include large portions of federal land. This region has an economic potential greater than what has developed so far.

Without adequate, flexible and economic transportation, further economic development is more difficult, if not impossible. A sound and efficient transportation system--picking up and delivering freight at reasonable rates--is essential for the growth and development of this large but relatively sparsely settled area. The study area for this project is served by all modern forms of transportation. However, like population, these facilities are sparsely distributed. Water transportation is available only on the Missouri River in eastern Nebraska and on the Snake River in western Idaho. Air carriers serve less than 10 percent of the cities and towns. As of December 31, 1972, the states of the project study area were served by 30,480 miles of railroad.[1]

In these states there is generally one mile of railroad for each 30 to 40 square miles of land area. The average for the balance of the continental United States is 11 square miles of land per mile of railroad and in the Mid-Atlantic States the density is one railroad mile per 6 square land miles.

Currently, however, there are 656,199 miles of roads and streets in the study states.[2] Thus, the region is highly dependent upon automotive transportation of which the for-hire motor freight carriers are an important part. It becomes appropriate, therefore, to examine the role of the motor freight carrier in considering the economic development of the project study area.

---

[1]Association of American Railroads, Railroad Facts, 1974 (Washington: Association of American Railroads, 1974), p. 49.

[2]United States Department of Commerce, Bureau of the Census, The Statistical Abstract of the United States, 94th edition, current to September 1974, Table 892, p. 541.

Need for Objectivity

The research team wishes to carefully avoid any implication that the motor freight carrier industry is responsible for any lack of economic development in the region under consideration. The motor carriers themselves are part of the economic structure of the area and have problems similar to those of any other local businessman who must develop a satisfactory volume of profitable business in order to survive. Very little reliable information has been assembled about transportation's role in the economy of the project study area. This study is a beginning attempt to assemble such information.

Selection of Representative Points

When dealing with research in freight rates, the analysis can easily become unmanageable. Transportation scholars tell us, for example, that there are more than 4,700,000 possible rail routes between Dallas, Texas, and Detroit, Michigan, and that there are over 205,000 active freight tariffs on file with the Interstate Commerce Commission.[3]

An analysis of motor carrier availability and freight rates in the nine states of the study area could easily attain a similar complexity unless the examination were limited. Therefore, the various analyses in this study are based upon a small number of samples of movement between representative points. However, the nature of some of the sub-studies demands that they not be limited only to these representative points, and in several cases various "hinterland" points in the respective states have been considered as well.

Two categories of representative points were established. The choice of these cities and towns is discussed under the headings of (1) Significant Points, and (2) Internal Representative Points.

Significant Points

Task (1) called for the collection of freight rate data between study area states and "significant points both west and east of this group of states." Such cities were selected by reference to Standard Metropolitan Statistical Areas (SMSA).[4] Thirteen of these areas lie within the states

---

[3]Roy J. Sampson and Martin T. Farris, Domestic Transportation, Second Edition (Boston: Houghton Mifflin Company, 1971), p. 161.

[4]The U.S. Bureau of the Census tabulates so-called Standard Metropolitan Statistical Areas (SMSA), which include the central city and the population of the contiguous metropolitan area as defined by the Bureau of the Census as "a county or group of contiguous counties which contains at least one central city of 50,000 inhabitants or more or 'twin cities' with a combined population of at least 50,000. In addition, other contiguous counties are included in an SMSA if, according to certain criteria, they are essentially metropolitan in character and are socially and economically integrated with the central city."

of the project area. They are as follows:

Colorado:	Denver, Colorado Springs, Pueblo
Idaho:	Boise
Montana:	Billings, Great Falls
Nebraska:	Omaha, Lincoln
New Mexico:	Albuquerque
North Dakota:	Fargo
South Dakota:	Sioux Falls
Utah:	Salt Lake City-Ogden, Provo-Orem

By any measure of economic activity, Denver, Colorado, is the largest of these SMSA's. The other twelve SMSA's are all located within a radius of 700 miles of Denver. Also located approximately within this circle are 25 other SMSA's which are not in the project study area. Although Denver's location is significant, it must not obscure the fact that other parts of the region, particularly those at the periphery, look with more interest toward other distribution centers.

The first draft of "significant points" was selected from the SMSA's located just outside a circle having a 700-mile radius and centered on Denver, Colorado. In the case of eastern cities, these points would be intermediate to freight-generating points further east; westbound freight tends to funnel through the points chosen so they are sufficiently representative of westbound traffic. The points chosen are:

Seattle, Washington
Portland, Oregon
San Francisco, California
Los Angeles, California
San Diego, California
Dallas, Texas
Little Rock, Arkansas
St. Louis, Missouri
Chicago, Illinois
Minneapolis-St. Paul, Minnesota

There are also approximately forty moderate to large size cities in and around the "zone of influence" of the project study area which are potential freight generating points and which may originate shipments with and between each other irrespective of other long distance traffics originating or terminating in the above listed points. Therefore, the following points were selected from this latter group as also being "significant" in this study:

Spokane, Washington
Boise, Idaho
Salt Lake City, Utah
Las Vegas, Nevada
Phoenix, Arizona
Albuquerque, New Mexico
El Paso, Texas
(continued)

Amarillo, Texas
Oklahoma City, Oklahoma
Grand Junction, Colorado
Denver, Colorado
Pueblo, Colorado
Kansas City, Missouri
Omaha, Nebraska
Rapid City, South Dakota
Bismarck, North Dakota
Billings, Montana
Great Falls, Montana
Casper, Wyoming
Cheyenne, Wyoming

Internal Representative Points

The internal representative points were chosen to provide termini for rate comparisons from the above "significant" points. On the premise that number of employees, size of payrolls, and number of business establishments are valid indicators of economic activity and freight-generating capacity, the leading ten counties were identified for each state of the project study area. The most populous city or town in each county was selected as an Internal Representative Point. The Bureau of the Census publication County Business Patterns was used to measure the level of business activity in each county. The counties were then ranked by degree of activity. The largest point in each county was selected from the 1970 Census of Population. These data are set forth in Table 1.1, which follows on pages 1.6 through 1.10.

The ten points thus selected for each state were then submitted to the Supervisory Committee member of the state for consideration. Modifications were then made which resulted in the following Internal Representative Points:[5]

Colorado	Idaho	Montana
Aspen	Blackfoot	Billings
Colorado Springs	Boise	Bozeman
Denver	Burley	Butte
Durango	Coeur d'Alene	Glasgow
Fort Collins	Idaho Falls	Great Falls
Grand Junction	Lewiston	Havre
Greeley	Nampa	Helena
La Junta	Pocatello	Kalispell
Pueblo	Twin Falls	Miles City
Sterling	Wallace	Missoula

(continued)

[5]Upon the advice of representatives from the particular states, additional points have been added for Montana, Utah, and Wyoming in order to give better coverage of the states. Devils Lake, North Dakota, did not appear in the county data analysis in Table 1.1 but was added upon recommendation of committee members from that state.

(Internal Representative Points, continued)

Nebraska
- Columbus
- Fremont
- Grand Island
- Hastings
- Kearney
- Lincoln
- Norfolk
- North Platte
- Omaha
- Scottsbluff

New Mexico
- Alamogordo
- Albuquerque
- Carlsbad
- Clovis
- Farmington
- Gallup
- Hobbs
- Las Cruces
- Roswell
- Santa Fe

North Dakota
- Bismarck
- Devils Lake
- Dickinson
- Fargo
- Grand Forks
- Jamestown
- Langdon
- Mandan
- Minot
- Williston

South Dakota
- Aberdeen
- Brookings
- Huron
- Lead
- Mitchell
- Pierre
- Rapid City
- Sioux Falls
- Watertown
- Yankton

Utah
- Logan
- Moab
- Nephi
- Price
- Richfield
- St. George
- Salt Lake City
- Tooele
- Vernal
- Wendover

Wyoming
- Casper
- Cheyenne
- Cody
- Gillette
- Jackson
- Laramie
- Newcastle
- Rawlins
- Rock Springs
- Riverton
- Sheridan

TABLE 1.1

DETERMINATION OF REPRESENTATIVE POINTS

LEADING CITIES IN THE LEADING COUNTIES OF PROJECT STUDY AREA STATES

State: Colorado

1	2	3	4	5
Leading Counties in Rank Order	Number of Employees	Taxable Payrolls	Total Reporting Units	Leading City and Representative Point
Denver	274,680	532,829	13,834	Denver
El Paso	53,227	80,690	3,919	Colorado Springs
Jefferson (D)	52,726	102,713	3,317	Lakewood (D)
Arapahoe (D)	38,205	66,716	2,522	Englewood (D)
Boulder (D)	35,816	63,714	2,506	Boulder (D)
Pueblo	28,493	48,152	1,828	Pueblo
Adams (D)	27,040	45,168	2,044	Aurora (D)
Larimer	19,697	27,274	1,862	Fort Collins
Weld	19,263	32,432	1,526	Greeley
Mesa	12,157	17,241	1,180	Grand Junction
Pitkin	4,976	6,527	361	Aspen
Otero	4,465	5,700	493	La Junta
Logan	4,441	6,762	488	Sterling
La Plata	4,318	5,348	497	Durango
Morgan	4,250	5,927	427	Ft. Morgan

(D) Indicates that point is located within Denver Standard Metropolitan Statistical Area. Additional points have been selected to give a more representative coverage of Colorado.

TABLE 1.1
(continued)

State: Idaho

1	2	3	4	5
Leading 10 Counties	Number of Employees	Taxable Payrolls	Total Reporting Units	Leading City
Ada	34,867	56,544	2,729	Boise
Canyon	15,954	22,382	1,736	Nampa
Bonneville	13,725	19,590	1,081	Idaho Falls
Bannock	10,893	15,400	1,013	Pocatello
Twin Falls	10,621	14,406	1,057	Twin Falls
Nez Perce	9,005	15,966	759	Lewiston
Kootenai	6,852	9,879	697	Coeur d'Alene
Shosone	5,472	10,918	332	Wallace
Bingham	4,928	6,500	416	Blackfoot
Cassia	4,388	5,800	365	Burley

State: Montana

Leading 10 Counties	Number of Employees	Taxable Payrolls	Total Reporting Units	Leading City
Yellowstone	24,353	40,254	2,191	Billings
Cascade	18,598	29,933	1,544	Great Falls
Missoula	14,548	22,895	1,315	Missoula
Silver Bow	11,159	20,978	834	Butte
Lewis and Clark	8,849	13,122	817	Helena
Flathead	8,417	12,765	867	Kalispell
Gallatin	6,151	7,599	750	Bozeman
Deer Lodge	3,329	5,720	224	Anaconda
Lincoln	3,133	6,047	281	Libby
Hill	2,977	3,502	355	Havre

State: Nebraska

1	2	3	4	5
Leading 10 Counties	Number of Employees	Taxable Payrolls	Total Reporting Units	Leading City
Douglas	157,668	280,036	7,659	Omaha
Lancaster	51,626	79,899	3,148	Lincoln
Hall	13,926	20,769	1,056	Grand Island
Scotts Bluff	9,908	14,189	895	Scottsbluff
Dodge	8,750	12,840	831	Fremont
Adams	8,401	11,721	668	Hastings
Platte	7,840	11,355	566	Columbus
Madison	7,455	9,727	722	Norfolk
Buffalo	7,413	8,851	683	Kearney
Lincoln	6,610	7,901	724	North Platte

State: New Mexico

1	2	3	4	5
Leading 10 Counties	Number of Employees	Taxable Payrolls	Total Reporting Units	Leading City
Bernalillo	94,482	160,179	5,913	Albuquerque
Lea	13,088	21,255	1,240	Hobbs
Santa Fe	12,034	15,496	1,227	Santa Fe
Dona Ana	10,916	14,030	994	Las Cruces
San Juan	10,766	19,328	877	Farmington
Chaves	9,431	11,957	987	Roswell
Eddy	9,076	14,357	908	Carlsbad
McKinley	7,462	9,822	607	Gallup
Curry	7,340	8,636	764	Clovis
Otero	6,671	9,729	537	Alamogordo

TABLE 1.1
(continued)

State: North Dakota*

1	2	3	4	5
Leading 10 Counties	Number of Employees	Taxable Payrolls	Total Reporting Units	Leading City
Cass	24,420	40,958	1,755	Fargo
Grand Forks	12,341	17,883	1,042	Grand Forks
Burleigh	11,284	16,312	888	Bismarck
Ward	10,669	14,807	1,006	Minot
Stutsman	4,567	5,655	497	Jamestown
Williams	4,261	6,274	490	Williston
Stark	3,594	4,431	431	Dickinson
Morton	3,110	4,280	370	Mandan
Cavalier	2,617	6,452	171	Langdon
Walsh	2,475	2,738	351	Grafton

* Devils Lake was included as a representative point for North Dakota in response to recommendation of committee member.

State: South Dakota

1	2	3	4	5
Leading 10 Counties	Number of Employees	Taxable Payrolls	Total Reporting Units	Leading City
Minnehaha	31,681	52,649	2,108	Sioux Falls
Pennington	14,753	20,797	1,340	Rapid City
Brown	8,703	10,902	843	Aberdeen
Yankton	4,838	5,930	388	Yankton
Codington	4,677	5,688	477	Watertown
Beadle	4,591	6,196	514	Huron
Davis	4,274	5,407	477	Mitchell
Lawrence	3,983	6,343	339	Lead
Brookings	3,064	3,536	368	Brookings
Hughes	2,249	2,686	286	Pierre

TABLE 1.1
(continued)

State: Utah

1	2	3	4	5
Leading 10 Counties	Number of Employees	Taxable Payrolls	Total Reporting Units	Leading City
Salt Lake	155,976	262,658	9,305	Salt Lake City
Utah	29,224	46,588	1,946	Provo
Weber	23,897	31,073	1,982	Ogden
Davis	10,593	14,480	951	Bountiful
Cache	7,413	8,656	714	Logan
Box Elder	5,892	10,719	393	Brigham City
Carbon	3,164	4,771	316	Price
Iron	2,740	3,576	312	Cedar City
Uintah	2,731	4,251	280	Vernal
Washington	2,432	2,725	304	St. George

State: Wyoming

1	2	3	4	5
Leading 10 Counties	Number of Employees	Taxable Payrolls	Total Reporting Units	Leading City
Natrona	14,952	26,383	1,430	Casper
Laramie	11,476	16,459	1,096	Cheyenne
Sweetwater	6,325	11,282	492	Rock Springs
Fremont	5,837	9,774	613	Riverton
Albany	3,855	4,413	485	Laramie
Sheridan	3,730	4,917	489	Sheridan
Park	3,542	5,365	479	Cody
Carbon	3,333	5,623	339	Rawlins
Campbell	2,889	4,549	315	Gillette
Goshen	1,799	1,988	226	Torrington

Source: Columns 1 through 4, United States Bureau of the Census, County Business Patterns, 1972, separate pamphlets for individual states, Table 1F in each.

Column 5, United States Bureau of the Census, Census of Population, 1970, Vol. I, "Characteristics of the Population."

CHAPTER 2

Availability of Motor Carrier Service

The states of the nine-state study area are among the least populous of the nation. Many settlements in these states generate only very small volumes of freight movement. Transportation carriers are reluctant to provide frequent, regular service to places which do not ship in sufficient volume to produce reasonably profitable loads. On the other hand, common carriers have a legal duty to provide service for the public. This chapter deals with transportation alternatives open to shippers in the project study area. It provides a measure of the freight carrier population, although precise measures are difficult due to the makeup of the motor carrier industry. This point will be further explained subsequently; first intermodal alternatives are examined.

Availability of All Modes

Attention is directed to Table 2.1. This table lists all incorporated places of 500 or more population and unincorporated places of 1000 or more population in the nine-state study area. Figures are according to the 1970 Census. In addition to population for each point are shown type of air carrier service (if any), railroad upon which located (if any), and approximate number of motor carriers authorized to serve the point (or the associated point at which service is provided). Some of the data from the table may be recapitulated as follows:

Total points shown in nine-state area	1032
Number of points authorized truck service (or in delivery scope of adjacent or related point)	1032
Number of points located on rail lines	814
Number of points with air carrier service	98

Actual Provision of Service

This tabulation emphasizes the dependency of the area upon motor freight carrier service. However, it must not be concluded that all motor freight carriers shown for each point provide an active service there. The situation is much different from that of rail and air carriers.

Rail Carriers

If a rail carrier has trackage at a given city or town, it may be concluded that some sort of rail service is available. This may not be

(Text continues on page 2.32)

CHAPTER 2

TABLE 2.1

POPULATION AND AVAILABILITY OF AIR, RAIL, AND TRUCK SERVICE
AT ALL POINTS IN THE PROJECT STUDY AREA BY STATES

STATE: Colorado

Point	Population	Air	Rail	Truck
Aguilar	699			14
Akron	1,775		BN	4*
Alamosa	6,985	F	DRGW	11
Alamosa East	1,040		DRGW	Alamosa
Antonito	1,113		DRGW	10
Applewood	8,214			Denver
Arvada	46,814		CS, DRGW	Denver
Aspen	2,404	F-C2		6
Ault	841		UP	1/
Aurora	74,974			Denver
Austin	1,163		DRGW	6
Bennett	613		UP	9
Berthoud	1,446		CS	15
Boulder	66,870		CS, UP	15
Bow Mar	945			Denver
Breckenridge	548			1*
Brighton	8,309		UP	24
Broomfield	7,261		BN, CS	21
Brush	3,377		BN	19
Buena Vista	1,962		DRGW	10
Burlington	2,828		RI	13
Canon City	9,206		ATSF, DRGW	11
Carbondale	726		DRGW	4
Castle Rock	1,531		ATSF, DRGW	22
Cedaredge	581			Delta
Center	1,470		RGMW, SLC	9
Cherry Hills Village	4,605			20
Cheyenne Wells	982		UP	9
Colorado Springs	135,060	T2-F-C	ATSF, CS, DRGW, RI	30
Commerce City	17,407		BN, RI, UP	Denver
Cortez	6,032	F	RGMW	11
Craig	4,205		DRGW	14
Creede	653		DRGW, RGMW	7
Del Norte	1,569		DRGW, RGMW	12
Delta	3,694		DRGW	11

Sources and Explanations - See page 2.31

Table 2.1, continued

Colorado - 2

Point	Population	Air	Rail	Truck
Denver	514,678	T7-F4-C4	ATSF, BN, CS, DRGW, RGMW, RI, UP	62
Derby	10,206			1
Dolores	820			8
Dove Creek	619			8
Durango	10,333	F	DRGW, RGMW	10
Eads	795		MP	10
Eagle	790		DRGW	10
East Cañon	1,805			Cañon City
Eaton	1,389		GWP, UP	17
Edgewater	4,866			Denver
Englewood	33,695		ATSF, DRGW	Denver
Erie	1,090		BN, UP	7
Estes Park	1,616			3
Evans	2,570		UP	18
Evergreen	2,321			5
Federal Heights	1,502			20
Firestone	570			4
Flagler	615		RI	12
Florence	2,846		ATSF, DRGW	11
Fort Carson	19,399			22
Fort Collins	43,337		CS, UP	21
Fort Collins West	1,693			Fort Collins
Fort Lupton	2,489		UP	24
Fort Morgan	7,594		BN, UP	21
Fountain	3,515		ATSF, DRGW	19
Fowler	1,241		ATSF	14
Frederick	696		UP	4
Fruita	1,822		DRGW	8
Georgetown	542			1*
Glendale	765			49
Glenwood Springs	4,106		DRGW	11
Golden	9,817		CS	15
Granada	551		ATSF	12
Granby	554	C	DRGW	6
Grand Junction	20,170	T-F-C2	DRGW, RGMW	13
Greeley	38,902		CS, UP	31
Greenwood Village	2,578			6*
Gunnison	4,613	F	RGMW	12
Haxtun	899		BN	5
Hayden	763		DRGW	11

Table 2.1, continued

Colorado - 3

Point	Population	Air	Rail	Truck
Holly	993		ATSF	13
Holyoke	1,640		BN	6
Hotchkiss	507		DRGW	8
Hudson	518		BN	6
Hugo	759		UP	10
Idaho Springs	2,003			3
Ignacio	613		RGMW	11
Johnstown	1,191		GWR	11
Julesburg	1,578		UP	19
Kremmling	764		DRGW	7
Lafayette	3,498		BN	19
La Jara	768		DRGW	6
La Junta	7,938	C	ATSF	16
Lakewood	92,787			Denver
Lamar	7,797	F	ATSF	17
La Salle	1,227		UP	21
Las Animas	3,148		ATSF	16
La Veta	589		DRGW	9
Leadville	4,314	C	CS, DRGW	11
Leadville North	1,717			Leadville
Limon	1,814		RI, UP	16
Lincoln Park	2,984			Denver
Littleton Southeast	22,899			Littleton
Littleton	24,466		ATSF, DRGW	39
Longmont	23,209		BN, CS, GWR	21
Louisville	2,409		CS	8
Loveland	16,220		CS, GWR	21
Lyons	958		BN	4
Manassa	814		RGMW	8
Mancos	709		RGMW	8
Manitou Springs	4,278		DRGW	20
Meeker	1,597			11
Milliken	702		GWR, UP	6
Minturn	706		DRGW	11
Monte Vista	3,909		DRGW, RGMW, SLC	12
Montrose	6,496	F	DRGW, RGMW	13
Mountain View	706			1
Naturita	820			8
Northglenn	27,937			20
North La Junta	1,249			La Junta

Table 2.1, continued

Colorado - 4

Point	Population	Air	Rail	Truck
Nucla	949			7
Olathe	756		DRGW	10
Orchard Mesa	5,824			Grand Junction
Ordway	1,017		MP	7
Otis	521		BN	4*
Ouray	741			9
Pagosa Springs	1,360		RGMW	11
Palisade	874		DRGW	11
Palmer Lake	947		ATSF, DRGW	17
Paonia	1,161		DRGW	7
Platteville	683		UP	8
Pueblo	97,453	F-C	ATSF, CS, DRGW, MP, RGMW	32
Rangely	1,591			12
Red Cliff	621			9
Rifle	2,150	C	DRGW, RGMW	12
Rocky Ford	4,859		ATSF	16
Saguache	642		RGMW	10
Salida	4,355	C	DRGW	10
Sanford	638		RGMW	7
San Luis	781			3
Security-Widefield	15,297			17
Sheridan	4,787		CS	20
Sherrelwood	18,868			Denver
Silverton	797		DRGW, RGMW	10
Springfield	1,660		ATSF	8
Steamboat Springs	2,340	F-C2	DRGW	10
Sterling	10,636		BN, UP	22
Stratton Meadows	6,223			Colorado Springs
Stratton	790		RI	11
Telluride	553			6
Thornton	13,326			Denver
Trinidad	9,901		ATSF, CS	16
Walden	907		UP	4
Walsenburg	4,329		CS, DRGW	15
Walsh	989		ATSF	6
Welby	6,875		UP	Denver
Wellington	691		CS	5
Westminster	19,432		CS	Denver
Westminster East	7,576			Denver
Wheat Ridge	29,795			Denver

Table 2.1, continued

Colorado - 5

Point	Population	Air	Rail	Truck
Windsor	1,564		CS, GWR	16
Woodland Park	1,022			Colorado Springs
Wray	1,953		BN	3*
Yuma	2,259		BN	3*

Table 2.1, continued

STATE: Idaho

Point	Population	Air	Rail	Truck
Aberdeen	1,542		UP	5
American Falls	2,769		UP	8
Ammon	1,338		UP	3
Arco	1,244		UP	5
Ashton	1,187		UP	4
Bellevue	537		UP	5
Blackfoot	8,716		UP	7
Boise City	74,990	T-F-C2	UP	11
Bonners Ferry	2,796		BN, SI	5
Buhl	2,975		UP	7
Burley	8,279		UP	8
Caldwell	14,219		UP	9
Cascade	833		UP	6
Challis	784			4
Chubbuck	2,924		UP	2*
Coeur d'Alene	16,228		BN, MILW, SI	7
Cottonwood	867		CSP	1*
Council	899		UP	6
Craigmont	554		CSP, NEZP	1*
Dalton Gardens	1,559			
Downey	586		UP	4
Driggs	727		UP	3
Emmett	3,945		UP	9
Filer	1,173		UP	7
Fruitland	1,576		UP	9
Garden City	2,368			3*
Genesee	619		BN	4
Glenns Ferry	1,386		UP	5
Gooding	2,599		UP	7
Grace	826		UP	4
Grangeville	3,636		CSP	3*
Hailey	1,425		UP	5
Hayden	1,285			Coeur d'Alene
Heyburn	1,637		UP	6
Homedale	1,411		UP	9
Horseshoe Bend	511		UP	6
Idaho Falls	35,776	T-F	UP	11
Inkom	522		UP	5
Iona	890		UP	4
Jerome	4,183		UP	7

Table 2.1, continued

Idaho - 2

Point	Population	Air	Rail	Truck
Kamiah	1,307		CSP	1*
Kellogg	3,811		UP	4
Ketchum	1,454		UP	5
Kimberly	1,557		UP	6
Kooskia	809		CSP	1*
Kuna	593		UP	2
Lava Hot Springs	516		UP	4
Lewiston	26,068	F	BN, CSP	7
McCall	1,758		UP	7
McCammon	623		UP	4
Mackay	539		UP	5
Malad City	1,848		UP	4
Marsing	610		UP	8
Menan	545		UP	5
Meridian	2,616		UP	9
Middleton	739		UP	7
Montpelier	2,604		UP	5
Moscow	14,146		BN, UP	4
Mountain Home	6,451		UP	8
Mountain Home Base	6,038			7
Mullan	1,279		BN	5
Nampa	20,678		UP	10
New Meadows	605		UP	5
New Plymouth	986		UP	9
Nez Perce	555		NEZP	1*
Oakley	656		UP	3
Orofino	3,883		CSP	1*
Osburn	2,248		UP	4
Paris	615			4
Parma	1,228		UP	10
Paul	911		UP	7
Payette	4,521		UP	10
Pierce	1,218			1*
Pinehurst	1,934			3
Pocatello	40,036	T-F	UP	10
Post Falls	2,371		BN, MILW	5
Potlatch	871		WIM	3
Preston	3,310		UP	5
Priest River	1,493		BN	4
Rathdrum	741		BN, MILW	3

Table 2.1, continued

Idaho - 3

Point	Population	Air	Rail	Truck
Rexburg	8,272		UP	6
Rigby	2,293		UP	6
Riggins	533			1*
Ririe	575		UP	5
Rupert	4,563		UP	7
St. Anthony	2,877		UP	4
St. Maries	2,571		MILW	2
Salmon	2,910			3
Sand Point	4,144		BN, SI	6
Shelley	2,614		UP	5
Shoshone	1,233		UP	7
Smelterville	967			4
Soda Springs	2,977		UP	5
Spirit Lake	622		MILW	3
Sugar City	617		UP	4
Troy	541		BN	3
Twin Falls	21,914	F-C	UP	8
Ucon	664		UP	4
Wallace	2,206		BN, UP	5
Weippe	713			1*
Weiser	4,108		UP	9
Wendell	1,122		UP	6
Wilder	564		UP	9

Table 2.1, continued

STATE: Montana

Point	Population	Air	Rail	Truck
Anaconda	9,771		BAP, NPTC	6
Baker	2,584		MILW	4
Belgrade	1,307		BN	3
Belt	656		BN	4
Big Sandy	827		BN	3
Big Timber	1,592		BN	3
Billings	61,581	T2-F	BN, MILW	8
Boulder	1,342		BN	3
Bozeman	18,670	T-F	BN, MILW	4
Bridger	717		BN	1*
Broadus	799			3
Browning	1,700		BN	2
Butte	23,368	T2	BAP, BN, MILW, UP	10
Cascade	714		BN	2
Centerville - Dublin Gulch	2,284			2*
Chester	936		BN	3
Chinook	1,813		BN	3
Choteau	1,586		BN, MILW	1
Circle	964		BN	1
Columbia Falls	2,652		BN	4
Columbus	1,173		BN	3
Conrad	2,770		BN	3
Culbertson	821		BN	3
Cut Bank	4,004		BN	3
Darby	538		BN	6
Deer Lodge	4,306		BN, MILW	3
Dillon	4,548		UP	5
East Helena	1,651		BN	5
Ekalaka	663			1
Ennis	501			1
Eureka	1,195		BN	1
Fairfield	638		MILW	2
Fairview	956		BN	4
Floral Park	5,113			Butte
Forsyth	1,873		MILW	4
Fort Benton	1,863		BN	3
Glasgow	4,700	F	BN	4
Glendive	6,305	F	BN	4
Great Falls	60,091	T2-F2	BN, MILW	8
Hamilton	2,499		BN	5

Table 2.1, continued

Montana - 2

Point	Population	Air	Rail	Truck
Hardin	2,733		BN	3
Harlem	1,094		BN	3
Harlowton	1,375		MILW	2
Havre	10,558	F	BN	3
Havre North	1,073			Havre
Helena	22,730	T2	BN	5
Hot Springs	664			Plains
Jordan	529			over Miles City
Kalispell	10,526	F	BN, NPTC	6
Laurel	4,454		BN	3
Lewistown	6,437	F	BN, MILW	5
Libby	3,286		BN	3
Livingston	6,883		BN	4
Lodge Grass	806		BN	2
Malmstrom	8,374			Great Falls
Malta	2,195		BN	4
Manhattan	816		BN, MILW	3
McQueen - East Butte	1,084			Butte
Miles City	9,023	F	BN, MILW	5
Missoula	29,497	T-F	BN, MILW	10
Missoula South	4,886			Missoula
Missoula West	9,148			Missoula
Nashua	513		BN	2
Philipsburg	1,128		BN	3
Plains	1,046		BN	2
Plentywood	2,381		BN	2
Polson	2,464		BN	3
Poplar	1,389		BN	2
Rattlesnake	1,492			over Missoula
Red Lodge	1,844		BN	1
Ronan	1,347		BN	3
Roundup	2,116		MILW	5
St. Ignatius	925			2
Scobey	1,486		BN	2
Shelby	3,111		BN	4
Sheridan	636		BN	1
Sidney	4,543	F	BN	5
Silver Bow Park	5,524		BAP, BN, MILW UP	4
Stanford	505		BN	4
Stevensville	829		BN	5

Table 2.1, continued

Montana - 3

Point	Population	Air	Rail	Truck
Sunburst	604		BN	2
Superior	993		BN, MILW	4
Terry	870		BN, MILW	2
Thompson Falls	1,356		BN	2
Three Forks	1,188		BN, MILW	3
Townsend	1,371		BN	4
Troy	1,046		BN	3
Twin Bridges	613		BN	1
Valier	651		BN	1
Walkerville	1,097			1*
West Yellowstone	756	T-F	UP	3
Whitefish	3,349		BN	3
Whitehall	1,035		BN, MILW	3
White Sulphur Springs	1,200		WSYP	2
Webaux	644		BN	3
Wolf Point	3,095	F	BN	2

Table 2.1, continued

STATE: Nebraska

Point	Population	Air	Rail	Truck
Ainsworth	2,073		CNW	5
Albion	2,074		UP	4
Alliance	6,862	F	BN	6
Alma	1,299		BN	6
Ansley	631		BN	4
Arapahoe	1,147		BN	8
Arlington	910		CNW	2
Arnold	752		UP	2*
Ashland	2,176		BN	8
Atkinson	1,406		CNW	6
Auburn	3,650		BN, MP	8
Aurora	3,180		BN	9
Axtell	500		BN	8
Bancroft	545			6
Bassett	983		CNW	6
Battle Creek	1,158		CNW	5
Bayard	1,338		BN	9
Beatrice	12,389		BN, RI, UP	17
Beaver City	802		BN	3
Beemer	699		CNW	5
Bellevue	19,449		BN	18
Benkelman	1,349		BN	5
Bennington	683		CNW	3
Bertrand	662		BN	6
Blair	6,106		CNW	5
Bloomfield	1,287			1
Blue Hill	1,201		BN	2
Boys Town	989			13
Bridgeport	1,490		BN	8
Broken Bow	3,734		BN	5
Burwell	1,341		BN	3
Butte	575			2
Cairo	686		BN	2*
Callaway	523		UP	1*
Cambridge	1,145		BN	8
Cedar Bluffs	616		CNW	5
Central City	2,803		BN, UP	9
Chadron	5,853	F	CNW	6
Chappell	1,204		UP	8
Clarkson	805			2

Table 2.1, continued

Nebraska - 2

Point	Population	Air	Rail	Truck
Clay Center	952		BN	4
Coleridge	608		CNW	1
Columbus	15,471		BN, UP	17
Cozad	4,219		UP	11
Crawford	1,291		BN, CNW	5
Creighton	1,461		CNW	3
Crete	4,444		BN, MP	9
Crofton	677		CNW	1
Culbertson	801		BN	6
Curtis	1,166		BN	7
Dakota City	1,057		BN, CNW	12
David City	2,380		BN, UP	5
Decatur	679			5
Deshler	937		RI	3
De Witt	651		BN	5
Dodge	704			2
Doniphan	542		UP	8
Edgar	707		BN, UP	5
Elgin	917		CNW	4
Elkhorn	1,184		UP	8
Elm Creek	798		UP	5
Elmwood	548		MP	3
Elwood	601		BN	6
Emerson	850		CNW	8
Ewing	552		CNW	3
Exeter	759		BN	6
Fairbury	5,265		RI, UP	6
Fairmont	761		BN	6
Falls City	5,444		BN, MP	7
Fort Calhoun	642		CNW	4
Franklin	1,193		BN	5
Fremont	22,960		BN, CNW, UP	20
Friend	1,126		BN	7
Fullerton	1,444		UP	2*
Geneva	2,275		BN	4
Genoa	1,174		UP	4*
Gering	5,639		UP	9
Gibbon	1,388		UP	7
Gordon	2,106		CNW	4
Gothenburg	3,154		UP	9

Table 2.1, continued

Nebraska - 3

Point	Population	Air	Rail	Truck
Grand Island	31,269	F	BN, UP	23
Grant	1,099		BN	5
Greeley Center	580		BN	1*
Greenwood	506		BN	8
Gretna	1,557		BN	6
Hartington	1,581		CNW	1
Harvard	1,230		BN	6
Hastings	23,580	F	BN, MP, UP	18
Hay Springs	682		CNW	4
Hebron	1,667		BN, RI	5
Hemingford	734		BN	3
Henderson	901			4*
Hershey	526		UP	6
Holdrege	5,635		BN	11
Hooper	895		CNW	5
Howells	682			2
Humboldt	1,194		BN	4
Humphrey	862		UP	6
Imperial	1,589		BN	4
Indianola	672		BN	7
Kearney	19,181	F	BN, UP	13
Kenesaw	728		BN	4
Kimball	3,680		UP	7
Laurel	1,009		BN, CNW	5
La Vista	4,807			4*
Leigh	501			2
Lexington	5,618		UP	9
Lincoln	149,518	T-F	BN, CNW, MP, RI, UP	39
Louisville	1,036		BN, MP, RI	3*
Loup City	1,456		BN, UP	1*
Lyman	561		UP	5
Lyons	1,177		BN, CNW	6
McCook	8,285	F	BN	10
Madison	1,595		UP	6
Milford	1,846		BN	7
Millard	7,460		UP	11
Minatare	939		BN	8
Minden	2,669		BN	9
Mitchell	1,842		BN	8
Morrill	937		BN	8

Table 2.1, continued

Nebraska - 4

Point	Population	Air	Rail	Truck
Mullen	667		BN	1*
Nebraska City	7,441		BN, MP	12
Neligh	1,764		CNW	5
Nelson	746		BN	3
Newman Grove	863			4
Niobrara	602		CNW	1
Norfolk	16,607	F	CNW, UP	10
North Bend	1,350		UP	8
North Platte	19,447	F	UP	12
Oakland	1,355		BN, CNW	5
Offutt East	5,195			2
Offutt West	8,445			2
Ogallala	4,976		UP	8
Omaha	347,328	T4-F2-C	BN, CNW, FBL, ICG, MILW, MP, NW, RI, UP	59
O'Neill	3,753		BN, CNW	6
Ord	2,439		BN, UP	1*
Orleans	592		BN	6
Osceola	923		UP	4
Oshkosh	1,067		UP	5
Osmond	883		BN	4
Overton	506		UP	5
Oxford	1,116		BN	8
Papillion	5,606		UP	2
Parkview	1,089			1*
Pawnee City	1,267		BN	4
Paxton	503		UP	6
Pender	1,229			7
Peru	1,380		BN	5
Pierce	1,360		CNW	4
Plainview	1,494		BN, CNW	4
Plattsmouth	6,371		BN, MP	9
Ponca	984			2
Ralston	4,265		BN	19
Randolph	1,130		BN	5
Ravenna	1,356		BN	6
Red Cloud	2,195		BN	4
Rushville	1,137		CNW	4
St. Edward	853		UP	3*
St. Paul	2,026		BN, UP	3
Sargent	789		BN	1*

Table 2.1, continued

Nebraska - 5

Point	Population	Air	Rail	Truck
Schuyler	3,597		UP	10
Scottsbluff	14,507	F	BN	12
Scribner	1,031		CNW	6
Seward	5,294		BN	10
Shelby	647		UP	5
Shelton	1,028		UP	7
Sidney	6,403	F	BN, UP	12
South Sioux City	7,920		BN, CNW	11
Spalding	676		UP	1*
Spencer	606		CNW	2
Springfield	795		MP	1*
Stanton	1,363		CNW	5
Stromsburg	1,215		UP	1
Stuart	561		CNW	6
Superior	2,779		ATSF, BN, MP	6
Sutherland	840		UP	6
Sutton	1,361		BN	6
Syracuse	1,562		BN	6
Tecumseh	2,058		BN	4
Tekamah	1,848		CNW	5
Terrytown	747			8
Tilden	947		CNW	5
Trenton	770		BN	4
Utica	602		BN	9
Valentine	2,662		CNW	4
Valley	1,595		UP	8
Verdigre	570		CNW	3
Wahoo	3,835		BN, CNW, UP	8
Wakefield	1,160		CNW	6
Walthill	897		BN	7
Wauneta	738		BN	4
Wausa	720			1
Waverly	1,152		BN	8
Wayne	5,379		CNW	5
Weeping Water	1,143		MP	4
West Point	3,385		CNW	6
Wilber	1,483		BN	6
Winnebago	675		BN	6
Wisner	1,315		CNW	5
Wood River	1,061		UP	8
Wymore	1,790		BN	9
York	6,778		BN	11
Yutan	507		BN, UP	5

Table 2.1, continued

STATE: New Mexico

Point	Population	Air	Rail	Truck
Alamogordo	23,035	F	SP	4
Albuquerque	243,751	T2-F2-C2	ATSF	14
Anthony	1,728			9
Artesia	10,315		ATSF	5
Aztec	3,354		RGMW	8
Bayard	2,908		ATSF	6
Belen	4,823		ATSF	7
Bernalillo	2,016		ATSF	7
Bloomfield	1,574			7
Cannon	5,461			Clovis
Carlsbad	21,297	F	ATSF	5
Carrizozo	1,123		SP	4
Central	1,864			5
Chama	899		RGMW	5
Cimarron	927			6
Clayton	2,931		CS	7
Cloudcroft	525			2
Clovis	28,495	F	ATSF	11
Deming	8,343		ATSF, SP	9
Dexter	746		ATSF	5
Espanola	4,528			5
Estancia	721		ATSF	6
Eunice	2,641		TNM	5
Farmington	21,979	F-C	RGMW	9
Fort Sumner	1,615		ATSF	8
Gallup	14,596	F	ATSF	11
Grants	8,768		ATSF	8
Hagerman	953		ATSF	5
Hatch	867		ATSF	4
Hobbs	26,025	F	TNM	7
Holloman	8,001			2*
Hurley	1,796		ATSF	6
Isleta Pueblo	1,080			9
Jal	2,602		TNM	5
Jemez Pueblo	1,197			2
La Mesilla	1,713			Las Cruces
Las Cruces	37,857	C	ATSF	9
Las Vegas	7,528		ATSF	7
Las Vegas	6,307		ATSF	7
Lordsburg	3,429		SP	10

Table 2.1, continued

New Mexico - 2

Point	Population	Air	Rail	Truck
Los Alamos	11,310			6
Los Lunas	973		ATSF	8
Los Ranchos de Albuquerque	1,900			Albuquerque
Loving	1,192		ATSF	4
Lovington	8,915		TNM	7
Magdalena	652			5
Meadow Vista	1,402			
Melrose	636		ATSF	7
Milan	2,185			6
Moriarty	758			8
Mountainair	1,022		ATSF	5
North Valley	10,366			Albuquerque
Pecos	598		ATSF	8
Portales	10,554		ATSF	5
Questa	1,095		RGMW	5
Raton	6,962	C	ATSF	10
Roswell	33,908	F	ATSF	6
Ruidoso	2,216			4
Ruidoso Downs	702			2
Sandia	6,867		ATSF	3
San Felipe Pueblo	1,187			Santa Fe
Santa Fe	41,167	C2	ATSF	9
Santa Rosa	2,485		RI, SP	6
Santo Domingo Pueblo	1,662			Santa Fe
Silver City	7,751	F	ATSF	6
Socorro	4,687		ATSF	6
South Valley	29,389			Albuquerque
Springer	1,574		ATSF	9
Taos	2,475	C		6
Taos Pueblo	1,030			3
Tatum	982			6
Texico	772		ATSF	9
Truth or Consequences	4,656			4
Tucumcari	7,189		RI	8
Tularosa	2,851		SP	4
University Park - Tortugas	4,165			11
Vaughn	867		ATSF, SP	6
Wagon Mound	630		ATSF	7
White Rock	3,861			4
White Sands	4,167			3*
Zuni Pueblo	3,958		ATSF	6

Table 2.1, continued

STATE: North Dakota

Point	Population	Air	Rail	Truck
Ashley	1,236		SOO	3
Beach	1,408		BN	3
Belfield	1,130		BN	3
Beulah	1,344		BN	1
Bismarck	34,703	T-F2	BN, SOO	7
Bottineau	2,760		BN	2*
Bowbells	584		BN, SOO	2
Bowman	1,762		MILW	1
Cando	1,512		BN	2
Carrington	2,491		BN, SOO	2
Casselton	1,485		BN	2
Cavalier	1,381		BN	2
Center	619			1*
Cooperstown	1,485		BN	2
Crosby	1,545		BN, SOO	1
Devils Lake	7,078	F	BN, SOO	3
Dickinson	12,405		BN	5
Drake	636		SOO	2
Drayton	1,095		BN	1
Dunseith	811		BN	2*
Edgeley	888		BN, MILW	2
Elgin	839		BN, MILW	1
Ellendale	1,517		BN, MILW	2
Emerado	515		BN	3
Enderlin	1,343		SOO	1*
Fargo	53,365	T-F	BN, MILW	12
Fessenden	815		SOO	2
Finley	809		BN	2
Forman	596		SOO	1
Fort Yates	1,153			1*
Garrison	1,614		SOO	3
Glen Ullin	1,070		BN	3
Grafton	5,946		BN	2
Grand Forks Base	10,474		BN	5
Grand Forks	39,008	T-F	BN	5
Gwinner	623		BN	1
Hankinson	1,125		BN, SOO	1
Harvey	2,361		SOO	2
Hatton	808		BN	1
Hazen	1,240		BN	1

Table 2.1, continued

North Dakota - 2

Point	Population	Air	Rail	Truck
Hebron	1,103		BN	4
Hettinger	1,655		MILW	2
Hillsboro	1,309		BN	2
Jamestown	15,385	T	BN	5
Kenmare	1,515		SOO	2
Killdeer	615		BN	1
Kulm	625		SOO	2
Lakota	964		BN	2
La Moure	951		BN	2
Langdon	2,182		BN	2
Larimore	1,469		BN	2
Leeds	626		BN	2
Lidgerwood	1,000		BN, SOO	1
Linton	1,695		BN, MILW	1*
Lisbon	2,090		BN	1
McClusky	664		BN	1*
McVille	583		BN	over Lakota
Maddock	708		BN	1
Mandan	11,093		BN	7
Mayville	2,554		BN	1
Milnor	645		BN	1
Minot Base	12,077			3
Minot	32,290	F2	BN, SOO	4
Minto	636		BN	2
Mohall	950		BN	2*
Mott	1,368		BN, MILW	1
Napoleon	1,036		SOO	2
New England	906		MILW	1
New Rockford	1,969		BN	1
New Salem	943		BN	4
New Town	1,428		SOO	1*
Northwood	1,189		BN	1
Oakes	1,742		BN, CNW	1
Park River	1,680		BN	1
Parshall	1,246		SOO	1*
Pembina	741		BN	3
Portland	534		BN	1
Powers Lake	523		BN	1*
Ray	776		BN	1
Richardton	799		BN	3

Table 2.1, continued

North Dakota - 3

Point	Population	Air	Rail	Truck
Rolette	579		BN, SOO	1*
Rolla	1,458		BN	1
Rugby	2,889		BN	2
St. Thomas	508		BN	1
Stanley	1,581		BN	3
Stanton	517		BN	1*
Steele	696		BN	3
Strasburg	642		MILW	1*
Tioga	1,667		BN	3
Towner	870		BN	2
Turtle Lake	712		BN	1*
Underwood	781		SOO	3
Valley City	7,843		BN, SOO	6
Velva	1,241		SOO	2
Wahpeton	7,076		BN, MILW	2
Walhalla	1,471		BN	2
Washburn	804		SOO	2
Watford City	1,768		BN	1
West Fargo	5,161		BN	10
Westhope	705		BN	2*
Williston	11,280	F	BN	17
Wilton	695		BN, SOO	2
Wisher	1,275		SOO	3
Windmere	516		BN, SOO	1

Table 2.1, continued

STATE: South Dakota

Point	Population	Air	Rail	Truck
Aberdeen	26,476	F	BN, CNW, MILW	5
Alcester	627		CNW	2
Alexandria	598		MILW	1
Arlington	954		BN, CNW	2
Armour	925			2
Avon	610		MILW	2
Belle Fourche	4,236		CNW	3
Beresford	1,655		CNW	2
Big Stone City	631		MILW	3
Bowdle	667		MILW	1
Box Elder	607		CNW	2
Brandon	1,431		CNW	2*
Bridgewater	633		MILW	1
Britton	1,465		MILW	2
Brookings	13,717	F	CNW	3
Bryant	502		MILW	1*
Burke	892		CNW	1
Canistota	636		CNW	1
Canton	2,665		MILW	2
Castlewood	523		CNW	1*
Centerville	910		CNW	2
Chamberlain	2,626		MILW	3
Clark	1,356		CNW	1
Clear Lake	1,157			1
Colton	601		BN	1
Corsica	615			1
Custer	1,597		BN	2
Deadwood	2,409		BN	3
Dell Rapids	1,991		MILW	1*
De Smet	1,336		CNW	2
Dupree	523		MILW	1
Eagle Butte	530		MILW	1
Edgemont	1,174		BN	3
Elk Point	1,372		MILW	4
Elkton	541		CNW	1
Ellsworth	5,805			1*
Eureka	1,547		MILW	1
Faith	576		MILW	2
Faulkton	955		CNW, MILW	1
Flandreau	2,027		MILW	1

Table 2.1, continued

South Dakota - 2

Point	Population	Air	Rail	Truck
Fort Pierre	1,448		CNW	3
Freeman	1,357		MILW	1
Garretson	847		BN	1*
Gettysburg	1,915		CNW	1
Gregory	1,756		CNW	1
Groton	1,021		MILW	1
Hartford	800		CNW	1
Herreid	672		SOO	1*
Highmore	1,173		CNW	2
Hot Springs	4,434		BN	3
Hoven	671			1*
Howard	1,175			1
Huron	14,299	F	BN, CNW	5
Ipswich	1,187		MILW	2*
Kadoka	815		MILW	2
Kimball	825		MILW	1
Lake Andes	948		MILW	1
Lake Preston	812		CNW, MILW	2
Lead	5,420		BN	3
Lemmon	1,997		MILW	1
Lennox	1,487		BN, MILW	2
Leola	787			1
McIntosh	563		MILW	1
McLaughlin	863		MILW	1
Madison	6,315		MILW	3
Marion	844		MILW	1
Martin	1,248			2
Menno	796		MILW	2
Milbank	3,727		MILW	4
Miller	2,148		CNW	2
Mission	739			2
Mitchell	13,425	F	CNW, MILW	4
Mobridge	4,545		MILW	3
Murdo	865		MILW	2
Newell	664			3
North Eagle Butte	1,351			
North Sioux City	860			3
Onida	785		CNW	1
Parker	1,005		CNW, MILW	1
Parkston	1,611		MILW	2

Table 2.1, continued

South Dakota - 3.

Point	Population	Air	Rail	Truck
Philip	983		CNW	2
Pierre	9,699	T-F	CNW	4
Pine Ridge	2,768			1
Plankinton	613		MILW	1
Platte	1,351		MILW	1
Presho	922		MILW	2
Rapid City	43,836	T-F2	CNW, MILW	3
Redfield	2,943		CNW, MILW	3
Salem	1,391		CNW	1
Scotland	984		MILW	1
Selby	957		MILW	1
Sioux Falls	72,488	T-F2	BN, CNW, ICG, MILW	6
Sisseton	3,094		MILW	2
Spearfish	4,661			3
Springfield	1,566			1
Sturgis	4,536		CNW	3
Timber Lake	625		MILW	1*
Tripp	851		MILW	2
Tyndall	1,245		MILW	3
Valley Springs	566		CNW	2
Vermillion	9,128		MILW	3
Viborg	662		BN	1
Villa Ranchaero	3,171			Rapid City
Volga	982		CNW	2
Wagner	1,655		MILW	2
Wall	786		CNW	2
Watertown	13,388	F	BN, CNW	3
Waubay	696		MILW	2
Webster	2,252		MILW	2
Wessington Springs	1,300		MILW	1
White River	617			
Whitewood	689		CNW	2
Wilmot	518		MILW	3
Winner	3,789		CNW	2
Woonsocket	852		MILW	1
Yankton	11,919	F	BN, MILW	4

Table 2.1, continued

STATE: Utah

Point	Population	Air	Rail	Truck
Alpine	1,047			6
American Fork	7,713		DRGW, UP	11
Beaver	1,453			6
Blanding	2,250			6
Bountiful	27,853			13
Brigham City	14,007	C	UP	9
Castle Dale	541			2
Cedar City	8,946	F-C	UP	6
Centerville	3,268		UP	11
Clearfield	13,316		DRGW, UP	15
Clinton	1,768			7
Coalville	864		UP	4
Cottonwood	8,431			4
Delta	1,610		UP	6
Dragerton	1,614		DRGW	8
Duchesne	1,094			6
Dugway	2,357			2*
East Layton	763			2*
East Millcreek	26,579			4*
Enterprise	844			3*
Ephraim	2,127		DRGW	7
Escalante	638			2*
Eureka	753			6
Fairview	696		DRGW	6
Farmington	2,526		DRGW, UP	10
Ferron	663			3
Fillmore	1,411		UP	7
Fruit Heights	800			2*
Garland	1,187		UP	5
Granger-Hunter	9,029			18
Granite Park	9,573			Salt Lake City
Grantsville	2,931			5
Green River	1,033		DRGW	4
Gunnison	1,073		DRGW	7
Harrisville	603		UP	2
Heber	3,245			7
Helper	1,964		DRGW	5
Holladay	23,014			13
Honeyville	640		UP	1*
Huntington	857			3

Table 2.1, continued

Utah - 2

Point	Population	Air	Rail	Truck
Huntsville	553			1*
Hurricane	1,408			7
Hyde Park	1,025			4
Hyrum	2,340		UP	5
Kamas	806			1*
Kanab	1,381			8
Kaysville	6,192		UP	8
Kearns	17,071		DRGW	19
Layton	13,603		DRGW, UP	9
Lehi	4,659		DRGW, UP	11
Lewiston	1,244		UP	6
Lindon	1,644			9
Logan	22,333	C	UP	6
Maeser	1,248			3
Magna	5,509		DRGW	9
Manti	1,803		DRGW	7
Mapleton	1,980			7
Midvale	7,840		DRGW, UP	13
Midway	804			4*
Milford	1,304		UP	4
Moab	4,793	F-C2		4
Monroe	918			7
Monticello	1,431			6
Morgan City	1,586		UP	5
Moroni	894		DRGW	7
Mount Olympus	5,909			Salt Lake City
Mount Pleasant	1,516		DRGW	7
Murray	21,206		DRGW, UP	16
Nephi	2,699		UP	8
North Logan	1,405			Logan
North Ogden	5,257			11
North Salt Lake	2,143		DRGW, UP	16
Ogden	69,478	C	DRGW, UP, SP	18
Onaqui	541			over Magna
Orangeville	511			3
Orem	25,729			11
Panguitch	1,318			6
Park City	1,193		UP	5
Parowan	1,423			6
Payson	4,501		DRGW, UP	10

Table 2.1, continued

Utah - 3

Point	Population	Air	Rail	Truck
Perry	909		UP	7
Plain City	1,543			1*
Pleasant Grove	5,327		UP	10
Pleasant View	2,028			4
Price	6,218	C	DRGW	6
Providence	1,608			6
Provo	53,131	C2	DRGW, UP, UTAH	14
Randolph	500			3
Richfield	4,471		DRGW	7
Richmond	1,000		UP	6
Riverdale	3,704		UP	9
River Heights	1,008			1*
Riverton	2,820		DRGW	11
Roosevelt	2,005			5
Roy	14,356		DRGW, UP	13
St. George	7,097	C		7
Salem	1,081			9
Salina	1,494		DRGW	7
Salt Lake City	175,885	T3-F3-C4	DRGW, UP, SLGW, WP	27
Sandy City	6,438		UP	12
Santaquin	1,236		DRGW, UP	9
Smithfield	3,342		UP	6
South Jordan	2,942			9
South Ogden	9,991			8
South Salt Lake	7,810			20
South Weber	1,073			1*
Spanish Fork	7,284		DRGW, UP	11
Springville	8,790		DRGW, UP	10
Sunset	6,268		UP	10
Syracuse	1,843			8
Tooele	12,539		TOV	4
Tremonton	2,794		UP	7
Vernal	3,908	F		6
Washington	750			4
Washington Terrace	7,241			6
Wellington	922		DRGW	5
Wellsville	1,267		UP	6
Wendover	781		WP	6
West Bountiful	1,246			2*
West Jordan	4,221		DRGW	12
West Point	1,020			6
White	6,402		UP	Salt Lake City
Willard	1,045		DRGW, UP	6
Woods Cross	3,124			15

Table 2.1, continued

STATE: Wyoming

Point	Population	Air	Rail	Truck
Afton	1,290			3
Basin	1,145		BN	4
Big Piney	570			2
Buffalo	3,394			3
Casper	39,361	T1-F1-C	BN, CNW	6
Cheyenne	40,914	T-F	CS, UP	14
Cody	5,161	F	BN	5
Douglas	2,677		BN, CNW	4
Du Bois	898			3
Evanston	4,462		UP	6
Evansville	832		BN, CNW	5
Fox Farm	1,329			Cheyenne
Gillette	7,194	C	BN	4
Glenrock	1,515		BN, CNW	4
Green River	4,196		UP	7
Greybull	1,953		BN	4
Guernsey	793		BN, CS, CW	1
Jackson	2,101	F		5
Kemmerer	2,292		UP	4
Lander	7,125			3
Laramie	23,143	F	UP	8
Lovell	2,371		BN	4
Lusk	1,495		CNW	4
Lyman	643			5
Mills	1,724		CNW	4
Moorcroft	981		BN	3
Mountain View	1,641			4
Newcastle	3,432		BN	4
Orchard Valley	1,015			Cheyenne
Paradise Valley	1,764			Casper
Pine Bluffs	937		UP	5
Pinedale	948			2
Powell	4,807		BN	4
Rawlins	7,855		UP	6
Riverton	7,995	F	CNW	3
Rock Springs	11,657	F	UP	8
Saratoga	1,181		UP	3
Sheridan	10,856	T	BN	4
Shoshone	562		CNW	3
Sundance	1,056			2

Table 2.1, continued

Wyoming - 2

Point	Population	Air	Rail	Truck
Thermopolis	3,063		BN	5
Torrington	4,237		BN	3
Upton	987		BN	3
Warren Air Force Base	4,527		CS, UP	Cheyenne
Wheatland	2,498		CS	5
Worland	5,055	F	BN	4

Table 2.1, concluded

Sources and Explanations

Columns 1 & 2: United States, Bureau of the Census, Census of Population, 1970, Vol. I, Table 6, "Characteristics of the Population."

Note: For manageability, a cut off point of 500 persons was used in reporting incorporated places in this table.

Column 3: Official Airline Guide, North American Edition, Oak Brook, Ill.: Reuben H. Donnelly Co., Aug. 1974.

Note: Symbols used indicate the following:

T = Domestic trunk line air carrier; number indicates number of lines serving the point.
F = Local service or regional "feeder" line air carrier; number indicates number of lines serving the point.
C = Commuter or "third level" (unregulated) air carrier service; number indicates number of lines serving the point.

Column 4: E. A. McCarron, National Rate Basis Tariff, Chicago: Western Trunkline Committee, et. al., agents, current as supplemented.

Note: Letters appearing in Column 4 are initials of railroads serving the point. Letters "RGMW" stand for Rio Grande Motor Way, which is substituted motor carrier service.

Column 5: Rocky Mountain Motor Tariff Bureau, Tariff ICC RMB 118U, as in effect September 1, 1974.

Note: Figure shown in Column 5 indicates number of carriers certificated to serve the point, not actual service provided.

* Where items are marked by an asterisk, information was taken from American Trucking Association, Inc., American Motor Carrier Directory (Atlanta: Guide Services, Inc.), 1974.

Where the name of a city or town is indicated in the right hand column, subject point is served in same commercial zone or delivery limits.

a full range of service as in recent decades railroads have closed many unprofitable freight stations. They are no longer "open" stations. At such places service is usually provided on a "prepay" basis. Since there is no agent, freight charges on incoming shipments must be prepaid. Arrangements for important outbound shipments can usually be made with the agent at a larger town nearby. This trend is part of the railroad program to no longer handle small shipments which require freight house handling and to concentrate upon carload traffic.

The freight tariff requirements which are similar for most Western railroads provide an example:

1. (a) Rates will apply on less-than-carload shipments loaded in the same car with a carload shipment when such shipments are loaded by and received from the same consignor and destined to and unloaded by the same consignee as the carload shipment.

   (b) Rates will apply on less-than-carload shipments loaded in the same trailer with a trailerload shipment when such shipments are received from the same consignor and destined to the same consignee as the trailerload shipment.

2. Rates will apply on less-than-carload shipments of automobile parts moving in cars containing shipping devices for automobile parts which are in assigned service, when returning from destination to original shipping point via the reverse route of the inbound carload shipment.

3. Rates will apply on less-than-carload shipments tendered as 4000 pounds or more (depending on the railroad) loaded in or on one car when from one consignor at one point of origin on one bill of lading to one consignee at one destination, provided that when originating at and/or terminating at points on the designated railroad company shipment is loaded by consignor and unloaded by consignee on public team tracks or private industry tracks served by the railroad direct and does not require the railroad to perform break-bulk or freight house handling.

If a rail carrier desires to abandon a particular piece of trackage entirely, it must obtain a certificate from the Interstate Commerce Commission allowing it to do so.

Air Carriers

If a local service (designated on Table 2.1 by F) or a domestic trunk air carrier (designated on Table 2.1 as T) is listed as serving a particular point, one may safely assume that service is actually provided. The Civil Aeronautics Board is empowered under Section 401(f) of the Federal Aviation Act of 1958 to order (after proper notice and hearing) that unused certificates cease to be effective.

Motor Carriers

For-hire motor carriers present a different service availability situation. First is the question of whether they are common carriers available to all the public or contract carriers available only to a few principals. Also they may be unregulated carriers of exempt commodities. This study is concerned only with the freight rates of interstate common carriers.

Second, common carriers may be limited by the Interstate Commerce Commission as to the commodities they may haul. In the early days of motor carrier regulation, in a proceeding known as Ex Parte MC10, the Interstate Commerce Commission set forth a listing of seventeen commodity groups for which motor carriers would be granted operating rights. The certificates and permits which the Commission issues to motor carriers may specify one or a combination of commodity rights. The seventeen specialities thus created are as follows:

1. Carriers of General Freight
2. Carriers of Household Goods
3. Carriers of Heavy Machinery
4. Carriers of Liquid Petroleum Products
5. Carriers of Refrigerated Liquid Products
6. Carriers of Refrigerated Solid Products
7. Carriers Engaged in Dump Trucking
8. Carriers of Agricultural Commodities
9. Carriers of Motor Vehicles
10. Carriers Engaged in Armored Truck Service
11. Carriers of Building Materials
12. Carriers of Films and Associated Commodities
13. Carriers of Forest Products
14. Carriers of Mine Ores not Including Coal
15. Carriers Engaged in Retail Store Delivery Service
16. Carriers of Explosives or Dangerous Articles
17. Carriers of Specific Commodities not Sub-grouped

Third, interstate motor carriers may be granted different types of routes and schedules ranging from Regular Route, Scheduled Service through Regular Route, Non-Scheduled Service to Irregular Route Service which may be radial in scope. Probably the greatest number of regular route, regular scheduled carriers hold general freight certificates. Carriers which are restricted to one or a few commodities more often hold certificates of the non-scheduled or irregular route variety.

This explanation is necessary to understand the relatively large number of motor freight carriers which are shown serving each point in Table 2.1. The right-hand column shows the approximate number of interstate, certificated, common, regular route, and irregular route carriers of general freight and various commodities serving the points indicated. Since not all carriers participate in the tariffs and guides researched,

the number is approximate. Another way of classifying the information is to show the number of towns having different multiples of motor freight carrier service as follows:

State	10 or More Carriers	6-9 Carriers	3-5 Carriers	2 Carriers	1 Carrier
Colorado	107	33	15	0	2
Idaho	6	34	50	3	10
Montana	7	6	55	18	10
Nebraska	25	75	72	15	16
New Mexico	11	42	24	4	0
North Dakota	2	4	22	36	40
South Dakota	0	2	29	36	49
Utah	31	55	25	7	6
Wyoming	3	7	31	3	2
TOTALS	192	258	323	122	135

Sub-conclusion. One may see from Table 2.1 that air carriers serve less than 10 percent of the towns in the region, and that over 200 points are without railroad trackage. The dependence of the area upon motor freight carriers is thus emphasized. A further examination of Table 2.1 in light of the above tabulation will show that the greater numbers of carriers are certificated to serve the larger towns and cities or those located along major highways.

Dormant rights. Motor freight carrier certificates or parts of certificated route structures which carriers are not actively operating are referred to as "dormant rights." Thus, the nature of air carrier and railroad regulation is such that when a carrier is present as indicated in our data, a service is actually being performed. The fact that a motor carrier is certificated to serve a town, however, does not mean that he is actually doing it. When traffic is sparse, long distance carriers may elect to turn the last part of a haul over to a local carrier, or they may reduce service to only a few schedules per week. When we have a large percentage of points to which service is authorized for only one or two carriers, the chances of this happening are very great.

The position of the Interstate Commerce Commission toward dormant rights is essentially that as long as a carrier holds itself ready to perform a service (as evidenced by keeping its insurance in force), the

Commission will refrain from requiring operation or revocation unless it appears the rights are merely being held for resale.[2]

Measuring Certificate Utilization

The Wyoming Public Service Commission did a study of the extent interstate motor freight carriers were serving points certificated. This appears as Exhibit 2.1. It reports a survey of the representative points selected for Wyoming (See Chapter 1). Comparison is made between the "holding out" to the public which the carriers make and the extent to which they actually serve the points advertised. Of 66 cases in which carriers advertise that they serve a point in Wyoming, 33, or exactly 50 percent, are shown as "Doubtful [if] serving."

Exhibit 2.2 presents a study prepared by the North Dakota Public Service Commission which shows the days of the week on which carriers serve certain towns on their authorized routes. This study shows that of fourteen carriers investigated, nine did not serve all of their authorized points every day.

Sub-conclusion

Although they are both based upon samples, these two studies show something of the actual level of service performance to outlying areas in the nine-state study area. The number of carriers certificated to serve the territory, in general, is large, but their actual presence at a "grass roots" level is not great. This, of course, may be a reflection of the sparse population and freight generating capacity of the area served.

(Text continues on page 2.47)

---

[2]Charles A. Toff, Commercial Motor Transportation, Third Edition (Homewood, Ill.: Richard D. Irwin, Inc., 1961), p. 582.

EXHIBIT 2.1

WYOMING STUDY OF CARRIER SERVICE VS. CARRIER ADVERTISEMENTS

Exhibit 2.1
(page 1)

THE STATE OF WYOMING

JOHN O. CALLAHAN
CHAIRMAN
G. KEITH OSBORN
DEPUTY CHAIRMAN
ZAN LEWIS
COMMISSIONER
ALEX J. ELIOPULOS
CHIEF COUNSEL AND
ADMINISTRATIVE SECRETARY
FRANKLIN MOCKLER
ADMINISTRATIVE ASSISTANT
SECRETARY

Public Service Commission

SUPREME COURT BUILDING
CHEYENNE, WYOMING 82002

STANLEY K. HATHAWAY
GOVERNOR
FRANK L. RAUCHFUSS
ASSISTANT SECRETARY AND
DIRECTOR, UTILITIES DEPARTMENT
DELBERT L. BOYER
ENGINEER
HENRY R. WULF
ACCOUNT ANALYST
WILLIAM M. ROONEY
DIRECTOR, MOTOR TRANSPORTATION
WILLIAM L. JOHNSON
DIRECTOR, RATE AND TARIFF

October 2, 1974

Dr. Paul McElhiney
Research Consultant
Federation of Rocky Mountain States, Inc.
Suite 300-B
2480 West 26th Avenue
Denver, Colorado 80211

Dear Paul:

In response to your letter of September 23, 1974 concerning interstate motor carrier regular route service, enclosed is a table showing the carriers service at the 10 (or 11) Wyoming project points.

Based upon our knowledge, telephone directories, etc., the table is accurate except that some of the larger carriers such as Consolidated, PIE, IML and Ringsby (Ringsby or Ringsby-United or United-Buckingham) may be serving in truckload lots only. And, it is possible that smaller carriers may be handling LTL shipments for these larger carriers where the larger carriers do not have terminals or offices.

We feel that Barber Transportation may be serving Gillette and Sheridan as the result of recent authority grants but this has not been confirmed.

See you at the next meeting.

Very truly yours,

Bill

Wm. L. Johnson, Director
Rate and Tariff Department

WLJ:lh
Enclosure
cc: Ralph Knull, Colo. PUC

WYOMING POINTS

Carrier	Carrier Directory	Terminal or Office	Telephone Listing	Known Serving	Doubtful Serving
Casper, Wyoming					
BNTN	X	X	X	X	
CFWY	X	X	X	X	
PIEC*	X				X
RING	X				X
SACF	X	X	X	X	
TCONU	X				X
Cheyenne, Wyoming					
BRIG	X	X	X	X	
CFWY	X	X	X	X	
ICXS	X	X	X	X	
IMFS	X				X
IMLF	X				X
MHXP	X				X
NEMR	X	X	X	X	
PIEC	X				X
RING	X	X	X	X	
SACF	X	X	X	X	
TCONU	X				X
UBFL	X				X
WNEB	X			X	
Cody, Wyoming					
BNTN	X			X	
CFWY	X				X
KEDS	X				X
PIEC*	X				X
SACF	X	X	X	X	
Gillette, Wyoming					
RING	X				X
ROTR	X		X	X	
SACF	X	X	X	X	
UBFL	X	X	X		X
Jackson, Wyoming					
CFWY	X				X
JVXP	X	X	X	X	
MILN	X	X	X	X	
PIEC*	X				X
SACF	X	X	X	X	

Carrier	Carrier Directory	Terminal or Office	Telephone Listing	Known Serving	Doubtful Serving
Laramie, Wyoming					
CFWY	X				X
IMLF	X				X
NOPK	X	X	X	X	
PIEC	X				X
RING	X				X
SACF**	X	X	X	X	
TIME	X				X
TWEL	X	X	X	X	
Newcastle, Wyoming					
ROTR	X		X	X	
SACF	X	X	X	X	
TCONU	X				X
UBFL	X				X
Rawlins, Wyoming					
CFWY	X				X
IMLF	X				X
NOPK	X	X	X	X	
PIEC	X				X
RING	X				X
SACF	X	X	X	X	
Riverton, Wyoming					
CFWY	X				X
PIEC*	X				X
SACF	X	X	X	X	
Rock Springs, Wyoming					
BJTC	X	X	X	X	
BOTC	X			X	
CFWY	X				X
IMLF	X	X	X	X	
MTLN	X	X	X	X	
PIEC	X				X
SACF	X	X	X	X	
ZUEK	X	X	X	X	
Sheridan, Wyoming					
BNTC	X	X	X	X	
PIEC*	X				X
SACF	X	X	X	X	
UBFL	X				X

* Restricted authority. Do not have Scope of Operations tariff to show restrictions applicable.

** Does not apply when interchanged at Denver, Colorado.

BJTC - Bunning, John Transfer Co., Rock Springs, Wyo.
BNTN - BN Transport Inc., Galesburg, Ill.
BOTC - Bonanza Trucking Co., Craig, Colo
BRIG - Briggs Transportation Co., St. Paul, Minn.
CFWY - Consolidated Freightways, Menlo Park, Cal.
ICXS - Illinois-California Express, Inc., Denver, Colo.
IMFS - Interstate Motor Freight System, Grand Rapids, Mich.
IMLF - IML Freight, Inc., Salt Lake City, Utah
JVXP - Jackson-Victor Express, Don G. Brewer, d/b/a, Jackson, Wyo.
KEDS - Ken's Delivery Service, Kennith L. Outland, d/b/a, Thermopolis, Wyo.
MHXP - Mile-Hi Express, Inc., Denver, Colo.
MILN - Milne Truck Lines, Inc., Salt Lake City, Utah
NEMR - North Eastern Motor Freight, Inc., Denver, Colo.
NOPK - North Park Transportation Co., Denver, Colo.
PIEC - Pacific Intermountain Express, Co., Oakland, Cal.
RING - Ringsby Truck Lines, Inc., Littleton, Colo.
ROTR - Ross Transfer, Inc., Chadron, Nebr.
SACF - Salt Creek Freightways, Casper, Wyo.
TCONU- Transcon Lines (operator in part of United-Buckingham Freight Lines, Inc.), Los Angeles, Cal.
TIME - T.I.M.E.-DC, Inc., Lubbock, Texas
TWEL - Trans-Western Express, LTD., Denver, Colo.
UBFL - United-Buckingham Freight Lines, Inc., Littleton, Colo.
WNEB - West Nebraska Express, Inc., Scottsbluff, Nebr.
ZUEK - Zueck Transportation Company, Rock Springs, Wyo.

Rate and Tariff Department
Public Service Commission of Wyoming
October 2, 1974

EXHIBIT 2.2

NORTH DAKOTA STUDY OF MOTOR CARRIER SERVICE

Showing day-of-the-week on which carriers serve certain points

LF PRESIDENT • BRUCE HAGEN • RICHARD A. ELKIN

PUBLIC SERVICE COMMISSION

AL BUMANN
SECRETARY

BISMARCK 58501

2.42

October 1, 1974

Mr. Paul McElhiney
Research Consultant
Federation of Rocky Mountain States, Inc.
Suite 300-B
2480 W. 26th Avenue
Denver, Colorado 80211

Dear Paul:

This is in reply to your letter of September 23, 1974, concerning Chapter two of your study dealing with "Availability of Motor Carrier Service".

We have had no complaints regarding refusal of service by carriers. Needless to say, we have had considerable complaints about quality of service, that is delay in pickup, as well as delay in delivery; and the handling of claims by the motor carriers.

At the present time, this Commission is making its own survey into 1) the level of rates by intrastate carriers for comparable services, and 2) comparing their published rates with their operating authority.

Since this project has only been instituted within the last ten days, we do not have a complete study as of yet.

Sincerely Yours,

Tom Wright
Traffic Director

TW/rk

NORTH DAKOTA

Availability of Service by Day of Week

NAME OF CARRIER	CITY	MON.	TUES.	WED.	THURS.	FRI.	SAT.	SUN.
Barber Transport	Dickinson	x	x	x	x	x		
	Amidon	x	x	x	x	x		
	Bowman	x	x	x	x	x		
	Scranton	x	x	x	x	x		
	Gascoyne	x	x	x	x	x		
	Reeder	x	x	x	x	x		
	Bucyrus	x	x	x	x	x		
	Hettinger	x	x	x	x	x		
	Rhame	x	x	x	x	x		
	Marmarth	x	x	x	x	x		
	Dickinson	x		x		x		
	New England	x		x		x		
	Havelock	x		x		x		
	Regent	x		x		x		
	Mott	x		x		x		
Border Freight Lines	Burlington	x		x		x		
	Foxholm	x		x		x		
	Carpio	x		x		x		
	Donnybrook	x		x		x		
	Kenmare	x	x	x	x	x		
	Bowbells	x		x		x		
	Flaxton	x		x		x		
	Portal	x	x	x	x	x		
Center Freight Lines	Mandan	x		x		x		
	Bismarck	x		x		x		
Dakota Film and Express	Grand Forks Air Force Base	x	x	x	x	x		
	Grafton	x	x	x	x	x		
	Cavalier	x	x	x	x	x		
	Neche	x	x	x	x	x		
	Pembina	x	x	x	x	x		
	Drayton	x	x	x	x	x		
	Park River	x	x	x	x	x		
	Edmore	x	x	x	x	x		
	Langdon	x	x	x	x	x		
	Walhalla	x	x	x	x	x		
	Edinburg	x	x	x	x	x		
	Fordville	x	x	x	x	x		
	Conway	x	x	x	x	x		
	Forest River	x	x	x	x	x		
	Emerado	x	x	x	x	x		
	Arvilla	x	x	x	x	x		
	Niagara	x	x	x	x	x		

(continued)

(Name of Carrier)	(City)	MON.	TUES.	WED.	THURS.	FRI.	SAT.	SUN.
(Dakota Film and Express - continued)	Petersburg	x	x	x	x	x		
	Michigan	x	x	x	x	x		
	Lakota	x	x	x	x	x		
	Pekin	x	x	x	x	x		
	McVille	x	x	x	x	x		
	Kloten	x	x	x	x	x		
	Anita	x	x	x	x	x		
	Sharon	x	x	x	x	x		
	Finley	x	x	x	x	x		
	Portland	x	x	x	x	x		
	Mayville	x	x	x	x	x		
	Hatton	x	x	x	x	x		
	Northwood	x	x	x	x	x		
	Kempton	x	x	x	x	x		
	Larimore	x	x	x	x	x		
Gentzkow Trucking	Fargo	x	x	x	x	x		
	Jct.	x	x	x	x	x		
	Fingal	x	x	x	x	x		
	Nome	x	x	x	x	x		
	Eastledge	x	x	x	x	x		
	Kathryn	x	x	x	x	x		
	Hastings	x	x	x	x	x		
	Litchville	x	x	x	x	x		
	Marion	x	x	x	x	x		
	Dickey	x	x	x	x	x		
	Grand Rapids	x	x	x	x	x		
	La Moure	x	x	x	x	x		
Hart Motor Freight	Minot	x	x	x	x	x		
	Des Lacs	x	x	x	x	x		
	Berthold	x	x	x	x	x		
	Blaisdell	x	x	x	x	x		
	Stanley	x	x	x	x	x		
	Tioga	x	x	x	x	x		
	Ray	x	x	x	x	x		
	Williston	x	x	x	x	x		
Lewis Truck Lines	Fargo	x	x	x	x	x		
	Ellendale	x	x	x	x	x		
	Wimbledon	x		x		x		
Midwest Motor Express	Fargo	x	x	x	x	x		
	Bismarck	x	x	x	x	x		
	Menoken	x	x	x	x	x		
	Mckenzie	x	x	x	x	x		
	Sterling	x	x	x	x	x		
	Driscoll	x	x	x	x	x		
	Steele	x	x	x	x	x		
	Dawson	x	x	x	x	x		
	Tappen	x	x	x	x	x		
	Crystal Springs (continued)	x	x	x	x	x		

(Name of Carrier)	(City)	MON.	TUES.	WED.	THURS.	FRI.	SAT.	SUN.
(Midwest Motor Express - continued)	Medina	x	x	x	x	x		
	Cleveland	x	x	x	x	x		
	Windsor	x	x	x	x	x		
	Eldridge	x	x	x	x	x		
	Jamestown	x	x	x	x	x		
	New Salem	x	x	x	x	x		
	Glen Ullin	x	x	x	x	x		
	Hebron	x	x	x	x	x		
	Richardton	x	x	x	x	x		
	Taylor	x	x	x	x	x		
	Gladstone	x	x	x	x	x		
	Dickinson	x	x	x	x	x		
	Turtle Lake		x		x			
	Mercer		x		x			
	McClusky		x		x			
	Denhoff		x		x			
	Goodrich		x		x			
	Hurdsfield		x		x			
	Chaseley		x		x			
	Bowdon		x		x			
	Tuttle		x		x			
	Moffit		x		x		x	
	Hazelton		x		x		x	
	Temvik		x		x		x	
	Linton		x		x		x	
	Hague		x		x		x	
	Zeeland		x		x		x	
	Venturia		x		x		x	
	Ashley		x		x		x	
Mitchell Transfer	Minot	x		x		x		
	Douglas	x		x		x		
	Ryder	x		x		x		
	Makoti	x		x		x		
	Plaza	x		x		x		
	Parshall	x		x		x		
	New Town	x		x		x		
	Charlson	x		x		x		
	Keene	x		x		x		
	Watford City	x		x		x		
Olin Transfer	Minot A.F.B.	x	x	x	x	x		
Spains Transfer	Glenburn	x	x	x	x	x		
	Minot	x	x	x	x	x		
	Lansford	x	x	x	x	x		
	Mohall	x	x	x	x	x		
	Sherwood	x	x	x	x	x		
	Bottineau	x	x	x	x	x		
	Newberg	x	x	x	x	x		
	Maxbass	x	x	x	x	x		
	Westhope	x	x	x	x	x		
	Landa	x	x	x	x	x		
	Roth	x	x	x	x	x		
	Souris	x	x	x	x	x		

(Name of Carrier)	(City)	MON.	TUES.	WED.	THURS.	FRI.	SAT.	SUN.
T. C. Freight	Grand Forks	x	x	x	x	x		
	Manuel			x		x		
	Ardoch			x		x		
	Minto			x		x		
	Grafton	x	x	x	x	x		
	Auburn			x		x		
	St. Thomas			x		x		
	Glasston			x		x		
	Hamilton			x		x		
	Neche			x		x		
	Bathgate			x		x		
	Park River			x		x		
	Adams			x		x		
	Edmore			x		x		
	Nekoma			x		x		
	Langdon			x		x		
	Hallson			x		x		
	Akra			x		x		
	Cavalier	x		x		x		
	Joliette			x		x		
	McArthur			x		x		
	Pembina			x		x		
	Walhalla			x		x		
Valley Truck	Cooperstown	x	x	x	x	x	x	
	Hope	x	x	x	x	x		
	Page	x	x	x	x	x		
	Fargo	x	x	x	x	x		
	Hannaford						x	
	Walum						x	
	Dazey						x	
	Rogers						x	
	Finley		x		x		x	
	Sharon		x		x		x	
	Aneta		x		x		x	
	McVille		x		x		x	
	Pekin		x		x		x	
	Tolna		x		x		x	
	McHenry		x		x		x	
	Glenfield		x		x		x	
	Sutton		x		x		x	
	Binford		x		x		x	
Wing Truck Line	Wing		x	x	x			
	Bismarck		x	x	x			
	Regan		x	x	x			
	Tuttle		x	x	x			
	Pettibone		x	x	x			

Quality of Service

Closely related to the subject of the availability of transportation service is the quality of the service which is provided. Previous to the undertaking of the current study, the Regulatory Agencies Committee of the Transportation Council of the Federation of Rocky Mountain States circulated a "Transportation Survey" questionnaire through the good offices of the regulatory agencies of the member states. Tabulated responses were received from three states. This questionnaire, a recapitulation of responses and an analysis appear as Exhibit 2.3. Although this survey may have been inadvertently biased to elicit unfavorable responses, one cannot in any way conclude from the results that motor freight carrier service to small outlying communities is highly satisfactory to the users. This again may be a reflection of low carrier profitability because of sparse traffic.

Gateway and Route Restrictions

When originally issued, some interstate motor freight carrier certificates contained various restrictions. Frequently these pertained to commodities to be carried; occasionally they restricted the route. This requires some explanation as certificates of public convenience and necessity are, of themselves, restricted to a particular commodity and route structure. Some certificates, however, contained additional restrictions such as limiting hauls to only one direction--thus effectively preventing the development of backhaul. Others required carriers to follow certain highways between two points although they were not allowed to serve intermediate points on these highways. Such restrictions might be called "inherent" since they came with the certificates, so to speak. Today, most of such restrictions have been "merged" out of carrier operating rights as larger companies have bought out the authorities of smaller ones.

In the same process, however, these carriers have created another sort of restriction through the tacking together of groups of operating authorities. These are sometimes referred to as "gateway restrictions" and occur when carriers piece together operating rights to form "through" route structures which were not originally conceived when the original small carrier operating certificates were issued. This phase of the study proposes to "Evaluate the Impact of Motor Carrier Certificate Restrictions Imposed by the ICC on the Adequacy of Service to the Rocky Mountain Region."*

The evaluation is to include data on gateway and route restrictions and the effect of such restrictions. Before proceeding, it appears that a definition of the terms "gateway restrictions" and "route restrictions" should be offered to prevent misunderstanding of the results or conclusions drawn from the study.

(Text continues on page 2.58)

*The following portion of this chapter was prepared by Mr. Ralph H. Knull, supervising rate expert, State of Colorado Public Utilities Commission.

EXHIBIT 2.3

TRANSPORTATION SURVEY QUESTIONNAIRE

Circulated by State Regulatory Officials
for the Federation of Rocky Mountain States, Inc.

Gentlemen:

The attached survey is designed to indicate those problem areas which may exist in the shipping and transportation of freight within the Rocky Mountain States.

The survey is being conducted throughout the Member States of the Federation of Rocky Mountain States, which include Colorado, Idaho, Montana, New Mexico, Utah and Wyoming.

By compiling the data from this broad area it should be possible to identify common problems which may exist.

Suggestions for improvement will then be made through the Federation.

Prompt return of this Questionnaire will be sincerely appreciated.

Very truly yours,

John Amman
Ralph Knull
Council Members

TRANSPORTATION SURVEY

The Regulatory Agencies Committee of the Transportation Council, Federation of Rocky Mountain States, Inc., is conducting this survey with the intent of identifying problems throughout the transportation field and the eventual solution of these problems and needs.

Please answer all questions and return this Form to:

Ralph H. Knull, Colorado Public Utilities Commission
500 Columbine Building, 1845 Sherman Street
Denver, Colorado 80203

1. What type of carrier do you use in shipping or receiving freight?

   Bus _____

   Motor Carrier _____

   REA Express _____

   Air Express _____

   Rail _____

   United Parcel Service _____

   Air Freight _____

   Parcel Post _____

   Pipe Line _____

2. Is your business being solicited by carriers? Yes_____ No_____
   (If yes, what type of carriers are soliciting? _____

3. Comments on Rates: _____

   _____

4. Comments on Service: Satisfactory: _____

   Unsatisfactory: _____

   Other Comments: _____

5. Experience on Claims: Satisfactory: _____

   Unsatisfactory: _____

   Other Comments: _____

6. Do you use your own Trucks? Yes_____ No_____
   (If yes, are your trucks used to haul all of your freight?_____ or only a portion of your freight_____.

   Do you haul exempt commodities interstate on your Trucks?_____

7. What type of Freight do you receive?_____

   What percentage is less-than-truckload?_____Truckload?_____

   What percentage is interstate? _____intrastate?_____

   What is the average size of your shipments? _____

8. What type of freight do you ship? _____

   What percentage is less-than-truckload? _____truckload?_____

   What percentage is interstate? _____intrastate?_____

   What is the average size of your shipments? _____

9. Other Comments concerning your Transportation Service, or your suggestions for improvement:

_____
Company Name

_____
Street Address

_____
City State Zip

Prepared by:_____

TABULATION OF THREE-STATE RESPONSES

TO TRANSPORTATION SURVEY

Subject Identified by Survey Question Number	Average Percentage of Responses	Utah		Wyoming		Idaho	
		Number of Responses	Percentage of Responses	Number of Responses	Percentage of Responses	Number of Responses	Percentage of Responses
Type of Commerce (Question 7)							
Interstate	14.2	0		25	19.2		
Intrastate	1.1	2	4.4	0			
Both	81.8	42	91.2	102	78.5		
Not Shown	2.9	2	4.4	3	2.3		
Carriers Used (Question 1)							
Bus	6.7	2	1.76	24	8.8		
Motor Carrier	42.9	43	37.7	123	45.1		
REX	4.9	9	8.0	10	3.7		
Air Express	0.8	1	.88	2	.7		
Rail	18.1	26	22.8	44	16.0		
Small Package	14.7	26	22.8	31	11.4		
Air Freight	4.9	2	1.76	17	6.2		
Pipeline	2.1	4	3.51	4	1.5		
Parcel Post	4.9	1	.88	18	6.6		
Solicitation (Question 2)							
Yes	40.1	36	81.8	59	45.0	88	31.3
No	59.0	7	15.9	69	52.7	193	68.7
No Reply	.9	1	2.3	3	2.3	0	0
Comments on Rates (Question 3)							
Favorable	5.1	7	15.6	9	5.0	0	0
Unfavorable	75.3	18	40.0	127	71.8	90	100
No Comment	19.6	20	44.4	41	23.2	0	0
Comments on Service (Question 4)							
Favorable	32.0	9	19.6	73	37.6	91	30.3
Unfavorable	55.0	5	10.9	83	42.8	209	69.7
Fair	7.0	20	43.5	18	9.3	0	0
No Comments	6.0	12	26.0	20	10.3	0	0

Exhibit 2.3
(page 5)

Subject Identified by Survey Question Number	Ave. %	Utah Responses Number	Utah Responses %	Wyo. Responses Number	Wyo. Responses %	Ida. Responses Number	Ida. Responses %
Comments on Claims (Question 5)							
Favorable	22.0	7	15.2	49	33	6	6.8
Unfavorable	59.2	8	17.4	77	52	82	93.2
Fair	2.8	8	17.4	0	0	0	0
No Comment	16.0	23	50.0	22	15	0	0
Most Serious Problem Area							
High Rates	49.4			117	58.5	3	7.0
Slow Deliveries	50.6			83	41.5	40	93.0
Use Own Trucks (Question 6)							
Yes	66.3	34	73.9	52	39.7	93	100
No	28.9	10	21.7	68	51.9	0	0
No indication	4.8	2	4.4	11	8.4	0	0

ANALYST'S EVALUATION OF QUESTIONNAIRE RESPONSES

Although a standard list of questions was submitted to the states involved, each (Utah, Wyoming and Idaho) has answered in a somewhat different form. Consequently it has been necessary to do a part of the statistical averaging on the basis of two states instead of three and the following comments seem pertinent.

Type of Commerce

The intent of the questionnaire was to determine to what extent the three states were individually dependent upon:

Relatively small local carriers
Interstate carriers
Both of the above.

As may be seen, only one percent of replies indicated intrastate (or local) carriage only. More used interstate only; however, the preponderance used both types of carriage.

Modes

Nine modes of transport were submitted for consideration. A consistent 40 percent (+ or −) indicated that the use of motor carriers prevailed. Of interest is the fact that the railroads (18.1%) and the package services (14.7%) represent respectively the largest and the smallest tonnages, as opposed to number of shipments.

Parcel post, Railway Express and Air Express (each at 4.9%), if combined with small package services indicates that nearly one-third of the shipments were small and "in a hurry." Added to this, to be noted under "Service Comments" is the repeated mention of a need for United Parcel Service intrastate authority in the several states.

Carrier Solicitation

Solicitation by carriers was noted as nearly evenly divided. It is believed that because of the many small communities involved that there is a geographical obstacle, rather than a lack of interest upon the part of the carriers.

Rates

While complaints on high rates, where made, were sharp, the preponderance of complaints versus compliments was of three to one. It is felt that normal response to this query would be negative. Few individuals would comment that a sizable business costs factor was "favorable." In the case of Idaho 300 responses were recorded regarding service (Question 4), yet only 90 comments on rates (Question 3)--all unfavorable--were recorded. This would possibly indicate that 210 "no comment" votes should have been recorded on rates. Such a change in tabulating would make the Idaho unfavorable percentage 30% and change the tri-state average to 45%, unfavorable.

(Analyst's Evaluation, continued)

Exhibit 2.3
(page 7)

Service

There is the possibility that the choice of "Fair" by 7 percent of the respondents plus a failure to express any comments by 6 percent indicates a generally favorable attitude. The generalization could then be made that service in the three states was considered good by 45 percent and poor by 55 percent. (See representative comments which follow.)

Claims

This category of comment, contrary to comments expressed in Question 4, shows a preponderant area of complaint, although a "no comment" tabulation could possibly indicate an actual majority with no experience of filing claims.

Most Serious Problem Area

High rates and slow deliveries share the spotlight almost equally. This quite possibly correlates with the projection made in Question 3. Most noticeable (of the two states which rated this question) was the tendency of one state's figures to cancel those of the other state.

Company-Owned Truck

The frequent use of private vehicles is possibly related to small shipments of a local nature.

Service Comments

Because of the many pages of individual comments made by respondents, we have selected a relatively few which seem to be representative. The are set forth as follows:

Wyoming, re Carriers Used

--Prefer airline service.
--We really like using the bus.
--Service (motor carrier) very erratic.
--Truck service O.K.
--We would like to see additional motor carriers authorized and able to haul lumber from Newcastle to Wisconsin, Ohio, Illinois, Minnesota, Kansas and Missouri.
--Parcel post is only way to get material in a hurry.
--Carload shipments (rail) are extremely dependent upon availability of equipment.
--There is need for UPS authority to handle intrastate shipments (five comments to this effect).

Idaho, re Carriers Used

--As small dealers (Lewiston) we need direct LCL on rail to compete with larger firms.
--Need UPS--intrastate (8 - 10 requests).

(Idaho, re Carriers Used - continued)
--Common carriers are generally reluctant to produce service to and from small communities.
--If we could get service out of the carriers that come here (Craigmont), there would be enough common carriers.
--Private carriage from California is $400 a trip cheaper than common carrier.
--Stagecoach faster than common carrier.

Wyoming, Comments on Rates

--Air freight not fast enough to pay for additional cost.
--(Bus) rates high--too high.
--(Truck) rates are competitive.
--(Truck) too high on small weight shipments.
--Truck rates have more than doubled in 9 years.

Idaho, Comments on Rates

--All carriers too expensive (truck).
--Rates are higher here (Lewiston) than any part of USA (trucks).
--Will not honor the quoted rate--always some type "add-on charge (truck).
--Why can't our freight (small town) be routed on a through basis?
--Minimum rates from same place not consistent.

Wyoming, Comments on Service

--Truck service very erratic.
--Poor service from Denver and points east by major truck lines.
--Truckload shipments extremely dependent upon availability of equipment.
--UPS, no good for our type of business.
--UPS, this is the best.
--UPS, need intrastate authority.

Idaho, Comments on Service

--Truck, slow in picking up shipments.
--No guarantee on promised delivery date.
--Not enough common service--arranged to start our own service.
--Drivers uncooperative and discourteous.
--City delivery is good (small town).

Wyoming, Comments on Claims

--Airlines very fair.
--(Bus) most claims handled in reasonable length of time.
--Trucks slow on claims.
--Trucks very poor on claims, even if "cut and dried."
--Truck very slow on responding to claims.

(Analyst's evaluation, continued)

Exhibit 2.3
(page 9)

Idaho Comments on Claims

--Need a law that would make carriers pay claims in 7 days.
--Refuses to mark damage on freight bills.
--Lost shipments and shortages.
--Damage bad.
--Won't pay claims.
--Always take care of claims in good shape.
--Delivers short quite often.

Two common descriptions of gateway restrictions are:

(a) The carrier's certificate contains a specific restriction requiring that certain points or territory must be served through a specified gateway.

(b) Gateways which exist due to tacking of separate grants of authority and which may, or may not, be specifically mentioned in the carrier's certificate.

Route restrictions would be contained in a carrier's certificate and would spell out the specific route or highway via which the carrier must operate to serve specified points.

In preparation for this report an examination was made of the ICC certificates of some 56 common carriers who provide service within all or a portion of the nine study area states. Insofar as the territory involved within the study area is concerned, no specific gateway restrictions as defined in (a) above were noted, although some may still exist.

Insofar as the (b) definition is concerned, numerous examples were noted and specific case studies of three or the more illustrative examples are reviewed below:

1. Garrett Freight Lines MC-263 (See Map 2.1.)

   Service between Denver, Colorado, and Albuquerque, New Mexico.
   Short Line Mileage - 422 miles
   Mileage via Garrett's route - 730 miles

   Explanation: The direct route from Denver to Albuquerque is over Interstate Highway 25, generally straight south of Denver. The authority of Garrett, as related to this example, includes a route from Denver to Salt Lake City, Utah, via Grand Junction, Colorado, and Crescent Junction, Utah. Another route goes from Salt Lake City via Crescent Junction and Cortez, Colorado, to Albuquerque. The carrier can, therefore, tack these two routes at Crescent Junction to provide service from Denver to Albuquerque. Garrett is, therefore, required to operate an additional 300 miles in excess of the short line miles to provide service between these points.

2. Barber Transportation Co. MC-97699 (See Map 2.2.)

   Service between Denver, Colorado, and Omaha, Nebraska.
   Direct Short Line Miles - 540 miles
   Mileage via Barber's route - 894 miles

   Explanation: The direct route between Denver and Omaha is on I-80 running generally east and west. In the Barber authority, Sub No. 22 authorizes service between Denver and Rapid City, South Dakota, through Cheyenne and Mule Creek Junction, Wyoming. In Sub No. 27, service is authorized between Rapid City and

Omaha via I-90 to Sioux Falls, South Dakota, and I-29 from there to Omaha. If Barber were to provide service between Denver and Omaha by tacking these two subs at Rapid City, their route would be 354 miles or 40 percent greater than the short route.

3. Illinois-California Express (ICX) MC-48958 (See Map. 2.3.)

Service between Denver, Colorado, and Salt Lake City, Utah.
Direct Short Line Miles - 512 miles
Mileage via ICX route - 1142 miles

Explanation: Under Sub No. 61, ICX is authorized to operate between Denver and Flagstaff, Arizona, as an alternate route. Under Sub No. 102, they are authorized to serve between Phoenix, Arizona, and Salt Lake City, Utah, serving the intermediate point of Flagstaff. By joining Sub Nos. 61 and 102 at Flagstaff, ICX would be authorized to provide service between Denver and Salt Lake City; however, their route would be 630 miles or 123 percent greater than the short line miles.

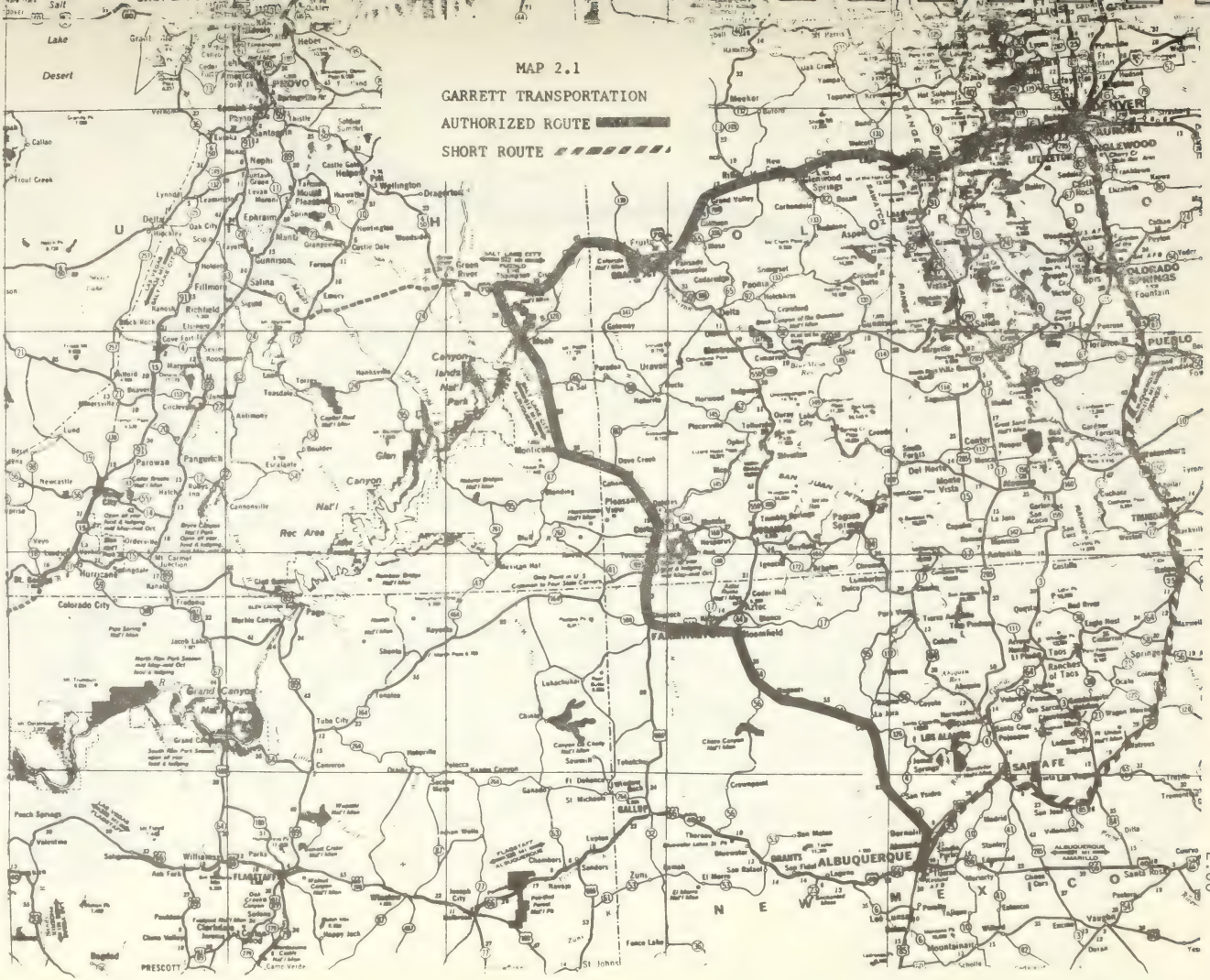
Insofar as these three examples are concerned, we must attempt to determine what the effect of these "gateway restrictions" might be on service or rates between these points. With respect to service, we find that three major carriers serve between Denver and Albuquerque on a daily basis; twelve carriers provide daily service, with two others serving two or three times per week, between Denver and Omaha; and six carriers provide unlimited service and one limited to a 200-pound maximum between Denver and Salt Lake City. Considering the population and the industry located at these points, we conclude that adequate service is being provided to the shipping public. With respect to rates, we find that the rates have been established on the short line mileages and that those carriers who do serve via the more circuitous routes are required by the competitive factors to observe the rates of the short line carriers. We conclude, therefore, that these gateway restrictions have had no detrimental effect upon the existing rate structures.

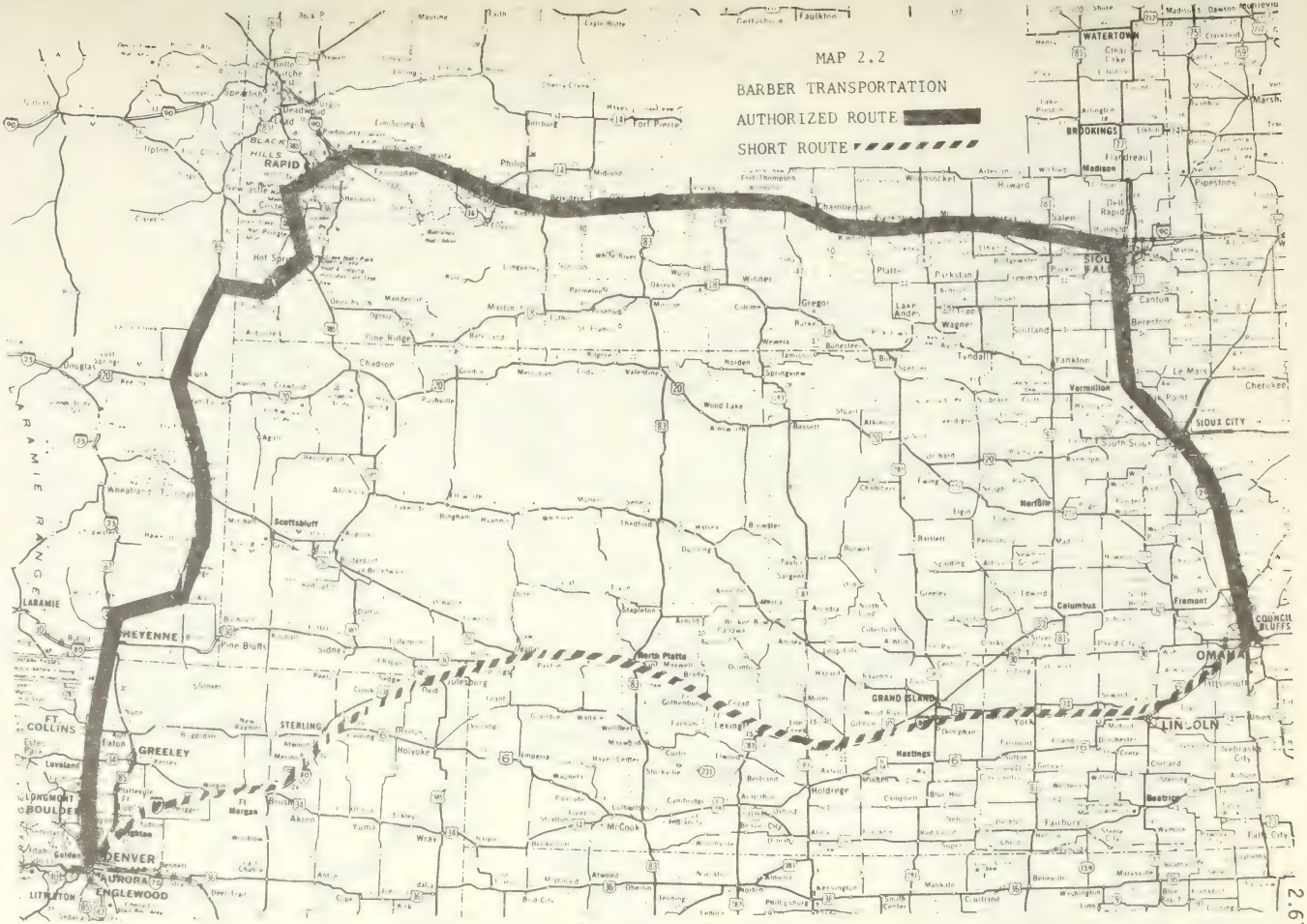
Finally, with respect to "route restrictions" as defined herein, no specific restrictions were noted which would cause a carrier to deviate from the normal short line route by any excessive amount, although cases may exist.

As far as the study area is concerned, it is concluded that the gateway restrictions which do exist are primarily due to the tacking of separate grants of authority, and that they have little, if any, impact upon the adequacy of service because of the number of carriers which do provide service via the direct routes.

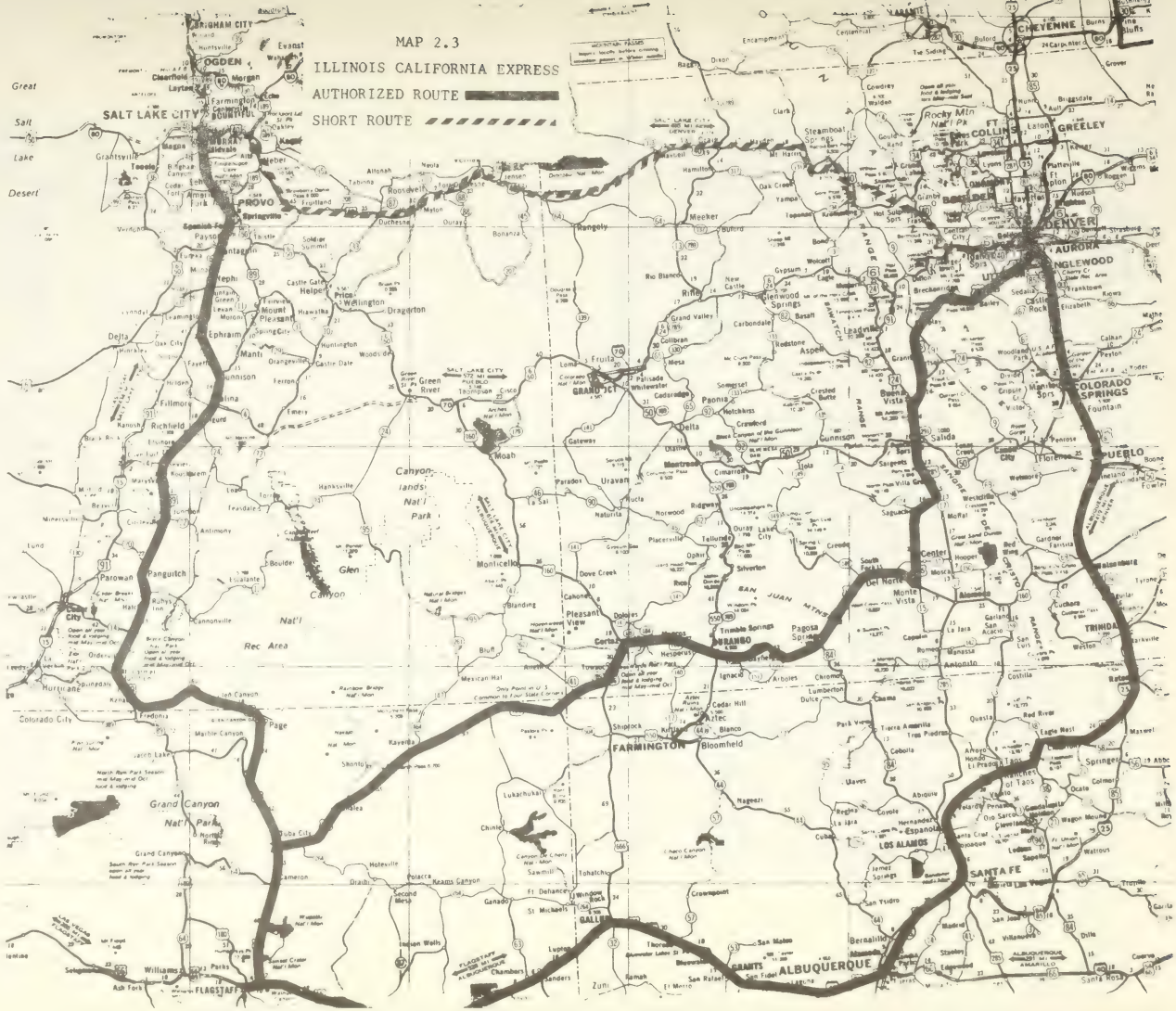
Economic Effects of Irregular Carriers

This study deals with the rates of regular route, regularly scheduled, common carriers of general commodities. Obviously, however, one who suggested modifications in the overall carrier structure of the region would have to concern himself with the route and service patterns


MAP 2.1
GARRETT TRANSPORTATION
AUTHORIZED ROUTE
SHORT ROUTE
Salt Lake Desert
PROVO
Nephi
Delta
Fillmore
Richfield
Salina
Manti
Ephraim
Gunnison
Fairview
Huntington
Castle Dale
Price
Wellington
Dragerton
Green River
SALT LAKE CITY
Fruita
Grand Junction
Colorado Nat'l Mon
Canyon Lands Nat'l Park
Moab
La Sal
Paradox
Gateway
Naturita
Norwood
Placerville
Telluride
Ouray
Lake City
Montrose
Dove Creek
Cortez
Pleasant View
Mancos
Dolores
Rico
Egnar
Dunton
Hanksville
Torrey
Teasdale
Capitol Reef Nat'l Park
Boulder
Escalante
Antimony
Panguitch
Parowan
Cedar City
Newcastle
Lund
Beryl
Circleville
Kanosh
Fillmore
Meadow
Milford
Minersville
Beaver
Hatch
Bryce Canyon Nat'l Park
Glen Canyon Nat'l Rec Area
Lake Powell
Page
Kayenta
Shonto
Tuba City
Cameron
Colorado City
Hurricane
Virgin
Rockville
Springdale
Zion Nat'l Park
Mt. Carmel Junction
Kanab
Fredonia
Jacob Lake
Marble Canyon
Grand Canyon Nat'l Park
Grand Canyon
Peach Springs
Valentine
Seligman
Williams
Flagstaff
Ash Fork
Parks
Oak Creek Canyon
Sedona
Clarkdale
Cottonwood
Camp Verde
Chino Valley
Prescott
Bagdad
Walnut Canyon Nat'l Mon
Wupatki Nat'l Mon
Sunset Crater Nat'l Mon
Meteor Crater
Winslow
Holbrook
Petrified Forest Nat'l Park
Chambers
Sanders
Navajo
Zuni
Joseph City
Lupton
Thoreau
Gallup
Ft Defiance
St Michaels
Window Rock
Chinle
Canyon de Chelly Nat'l Mon
Lukachukai
Tsaile
Rough Rock
Many Farms
Round Rock
Red Mesa
Teec Nos Pos
Mexican Hat
Goosenecks
Monument Valley
Oljato
Kayenta
Four Corners
Aztec
Bloomfield
Farmington
Shiprock
Cedar Hill
Ute Mtn Ute Ind Res
Navajo Ind Res
Navajo Dam
Arboles
Pagosa Springs
Chama
Tierra Amarilla
Dulce
Lumberton
Ojo Caliente
Española
Abiquiu
Los Alamos
Santa Fe
Taos
Ranchos de Taos
Questa
Eagle Nest
Cimarron
Springer
Raton
Capulin
Clayton
Trinidad
Walsenburg
La Veta
Gardner
San Acacio
Fort Garland
Alamosa
Del Norte
Monte Vista
Center
Saguache
Gunnison
Crested Butte
Paonia
Hotchkiss
Carbondale
Glenwood Springs
Basalt
Aspen
Snowmass
Redstone
Meeker
Rifle
New Castle
Parachute
Grand Valley
Collbran
Mesa
Palisade
Clifton
Grand Mesa
Vail
Leadville
Eagle
Red Cliff
Minturn
Buena Vista
Salida
Poncha Springs
Canon City
Florence
Penrose
Cripple Creek
Victor
Colorado Springs
Fountain
Pueblo
Rocky Ford
La Junta
Las Animas
Lamar
Holly
Granada
Wiley
Springfield
Walsh
Kim
Trinidad
Aguilar
Weston
Stonewall
Cuchara
Gardner
Huerfano
Colfax
Raton
Capulin
Clayton
Folsom
Des Moines
Dawson
Cimarron
Maxwell
Springer
Abbott
Wagon Mound
Las Vegas
Rociada
Pecos
Glorieta
Tesuque
Santa Fe
Cerrillos
Madrid
Golden
Lamy
Galisteo
Eldorado at Santa Fe
Rancho de Taos
Ojo Caliente
Chimayo
Truchas
Penasco
Dixon
Velarde
Embudo
Pilar
Rinconada
Arroyo Hondo
Taos Ski Valley
Questa
Red River
Angel Fire
Eagle Nest
Cimarron
Springer
Raton
Capulin
Clayton
Folsom
Des Moines
Dawson
Maxwell


MAP 2.2
BARBER TRANSPORTATION
AUTHORIZED ROUTE
SHORT ROUTE
WATERTOWN
BROOKINGS
Madison
Howard
Canton
Vermillion
SIOUX CITY
Norfolk
Columbus
Fremont
COUNCIL BLUFFS
OMAHA
LINCOLN
GRAND ISLAND
North Platte
Hastings
Holdrege
McCook
Scottsbluff
Chadron
Hot Springs
BLACK HILLS
RAPID
Deadwood
Lead
Belle Fourche
Sturgis
Spearfish
Philip
Kadoka
Winner
Gregor
Platte
Parkston
Wagner
Tyndall
Yankton
Springview
Valentine
Wood Lake
Bassett
Ainsworth
Atkinson
Stuart
Bartlett
Spalding
Chambers
Elgin
Wheatland
Douglas
Casper
Lusk
Newcastle
Orchard
Brewster
Burwell
Taylor
Sargent
Arcadia
Loup City
Ord
Greeley
Wolbach
Cedar Rapids
Silver Creek
Clarkson
Schuyler
Fullerton
David City
Aurora
Hampton
Geneva
York
Seward
Milford
Crete
Wilber
Friend
Fairbury
Beatrice
Falls City
Nebraska City
Auburn
Tecumseh
Lincoln
Omaha
Council Bluffs
Sioux City
Le Mars
Cherokee
Pipestone
Flandreau
Clear Lake
Marshall
Faulkton
Gettysburg
Eagle Butte
Mobridge
Timber Lake
Lemmon
Hettinger
Bowman
Reeder
Dickinson
Belfield
Medora
Glendive
Miles City
Forsyth
Billings
Sheridan
Buffalo
Gillette
Douglas
Wheatland
Torrington
Scottsbluff
Alliance
Hemingford
Crawford
Chadron
Harrison
Gordon
Rushville
Sidney
Kimball
Pine Bluffs
Cheyenne
Laramie
Fort Collins
Loveland
Longmont
Boulder
Denver
Aurora
Englewood
Littleton
Golden
Greeley
Eaton
Sterling
Julesburg
Holyoke
Wray
Yuma
Akron
Fort Morgan
Brush
Limon
Burlington
Colorado Springs
Pueblo
Trinidad
Las Animas
Lamar
Springfield
Walsenburg
Raton
Clayton
Tucumcari
Santa Fe
Albuquerque
Gallup
Grants
Farmington
Durango
Cortez
Monticello
Moab
Grand Junction
Glenwood Springs
Vail
Leadville
Salida
Gunnison
Montrose
Ouray
Telluride
Rifle
Meeker
Craig
Steamboat Springs
Kremmling
Granby
Hot Sulphur Springs
Fraser
Winter Park
Idaho Springs
Central City
Georgetown
Evergreen
Conifer
Bailey
Kittredge
Morrison
Lakewood
Wheat Ridge
Arvada
Westminster
Thornton
Commerce City
Brighton
Fort Lupton
Platteville
Longmont
Boulder
Lyons
Estes Park
Grand Lake
Kremmling
Granby
Hot Sulphur Springs
Fraser
Winter Park
Idaho Springs
Central City
Georgetown
Evergreen
Conifer
Bailey
Kittredge
Morrison
Lakewood
Wheat Ridge
Arvada
Westminster
Thornton
Commerce City
Brighton
Fort Lupton
Platteville
Longmont
Boulder
Lyons
Estes Park
Grand Lake
LARAMIE RANGE

2.67


MAP 2.3
ILLINOIS CALIFORNIA EXPRESS
AUTHORIZED ROUTE
SHORT ROUTE
BRIGHAM CITY
OGDEN
SALT LAKE CITY
PROVO
Great Salt Lake Desert
CHEYENNE
GREELEY
DENVER
AURORA
COLORADO SPRINGS
PUEBLO
GRAND JCT
Canyonlands Nat'l Park
Glen Canyon Nat'l Rec Area
Grand Canyon Nat'l Park
FARMINGTON
LOS ALAMOS
SANTA FE
ALBUQUERQUE
GRANTS
FLAGSTAFF
Williams
Ash Fork

of all types of carriers. The various irregular route carriers, particularly of special commodities, may be of some importance in this context.

The Rocky Mountain region is much different, transportation-wise, from other large regions of the nation in that it does not have any water transportation. In other geographic regions water transportation often acts as a stabilizer, leveler, or perhaps even a depressant of transportation rates because it is so low in cost.[2]

In the project study area, because of its distances and low traffic densities, the irregular route common carrier of specialized commodities has become well established. Originating, perhaps, as oil field haulers, heavy machinery, or even exempt agricultural haulers, these carriers have sought limited irregular common carrier commodity rights to provide themselves with backhaul across the long distances of the West. Since they deal in volume and have no terminal costs, their freight charges can be very attractive to the shipper. These carriers, to some extent, thus act as substitutes for water transportation in the region. Since they frequently publish their own specialized freight tariffs, their rates will not appear specifically in this analysis of motor freight carrier rates, but they are certainly having an effect on the rate structure, particularly that of bulk commodities.

The following chapter reviews basic freight rate terminology and concepts and discussed intermodal reate relationships.

---

[2]Barge transportation is available at Omaha, Nebraska, and other points along the Missouri River and at Lewiston, Idaho, and other points on the Snake River. The competitive effect of this water transportation is not great upon other states in the project area.

CHAPTER 3

Intermodal Rate Comparison

The purpose of this chapter is to show the position or role of motor freight carrier rates in relation to other modes of transport which are supposedly competitive to them. Some difference is seen in the data presented between the national average cost picture of motor freight service and the rates applicable to a specific consumer good. The importance of motor freight carriers to the study area is again emphasized.

Modal Comparison of Freight Rates

The public may often have the impression that our five basic modes of transportation are in direct competition with each other. This, of course, is not generally true and requires substantial qualification. The carriers are not all available at every point in the country (or even on a percentage basis at very many points). We have already seen in Chapter 2 that water transportation is only available on the perimeter of the region under consideration, that air carriers serve only about 10 percent of the towns, and that there is rail trackage at 80 percent of them. The modes also cater to different commodities and sizes of shipment. Pipelines, for instance, are useful for moving only a few liquid and gaseous commodities. The modes have different cost structures and their rates reflect that they are seeking somewhat different traffics, as will be shown subsequently.

General National Comparison

On a national basis, of course, the modes are comparable, because in spite of the above limitations there is always a degree of competition for traffic between major freight generating centers. Table 3.1 presents a comparison. The modes of primary interest in the present instance are those designated as "Highway" and "Railroad" on the table. Some of the differences between the modes are significant to this study.

First, the greater number of highway miles than rail miles (those shown are only a part of the 3 million plus miles of roads and streets in the United States) indicates the wider availability of truck service.

The shorter "average length of haul" for trucks than for railroads (261 miles versus 497 miles) will predict that we may expect truck rates to be higher on a per-mile basis. This is true if for no other reason than that there are fewer units over which to amortize start-up costs and the effect of the tapering principle is less.

TABLE 3.1

COMPARISON OF TRANSPORTATION MODES

Mode	Miles of Lines	Average Length of Haul (miles)		Share of Total Freight Ton-Miles	Share of Total Passenger-Miles		Average Cost per Ton-Mile (to user)
Airway	283,861	Cargo	1,147	18/100%		9%	$00.2180
		Passenger	674				
Highway	657,601	Truck	261	22%	Automobile	87%	00.0770
		Bus	105		Bus	2%	
Oil Pipeline	209,478	Crude	297	23%		0	00.0027
		Product	366				
Railroad	207,500	Freight	497	38%		8/10%	00.0140
		Passenger	87				
Waterways							
Inland	25,543	Inland	330	10.6%		3/10%	00.0028
Great Lakes		Great Lakes	506	5.4%			
Domestic		Domestic					
Deep Sea		Deep Sea	1,509				

Source: Transportation Facts and Trends, Washington, D.C., Transportation Association of America, 1973.

The greater share of total ton-miles which is accorded the railroads is indicative not only of greater length of haul but also of the carriage of larger volume shipments.

Volume and size of vehicle are again reflected in the average cost figures shown in the far right column of the table. Emphasis is made that these are average costs and that they represent a considerable range. If all truck shipments moved at 7.7 cents per ton-mile and all rail shipments at 1.4 cents per ton-mile, there would be no competition between the modes. In actuality, however, there is considerable overlap between the traffics of the two modes.

Regional Comparison

Primarily because all modes are not widely available a direct comparison of them at the regional level is less useful than that made in Table 3.1. Table 3.2 illustrates this. To broaden this comparison, another useful freight carrier, the domestic surface freight forwarder, is introduced. These companies consolidate small shipments into volume lots and forward them by rail or truck. Technically they can provide nationwide service to any point accomplishing delivery beyond their breakbulk point by LTL truck. Practically, the cost of this may be prohibitive to the shipper. Thus, the various services shown on Table 3.2 are all only available at major freight generating points in the region. The purpose of the table was to examine comparable class rates both for large and for small shipments as between the modes. It indicates that the rates do not progress in the same way as indicated by the average cost figures shown in the right-hand column of Table 3.1. A strong indication is that railroads are not seeking (in this specific case only) Class 45 rated traffic as strongly as are the truck lines. Nor do they seem to encourage piggyback movement from Denver to Los Angeles. However, the comparisons would not be useful to a shipper because they do not consider the possible effect of commodity rates, nor do they apply to a particular commodity. The different types of carriers may treat a specific commodity differently. This is borne out to some extent by a specific comparison made in Table 3.3.

A Specific Comparison

For the construction of Table 3.3 a specific commodity which is manufactured in Denver, Colorado, was chosen.

The commodity is described as: Kits, washing, hand-held, sprayer, and liquid soap or cleaning compound.

The commodity is listed in the freight classifications as follows:

Classification	Ratings: Less than Carload	Ratings: Carload
Rail, Uniform Classification No. 11, Item 55526	Class 85	Class 40 on minimum weight of 30,000#
Motor, National Motor Freight Classification, NMF 100A, Item 108382	Class 85	Class 40 on minimum weight of 30,000#

TABLE 3.2

Between Denver and:	Los Angeles	Chicago
for:	Rate in cents per 100#	Rate in cents per 100#
VOLUME		
Rail carload service (Class 45: 40,000# minimum weight)	598	402
Rail piggyback service (Freight all kinds, ramp to ramp service)	526: 30,000# min. wt.	141: 70,000# min. wt.
Motor carrier volume service (Class 45: 24,000# minimum weight)	455	336
LESS THAN VOLUME		
Motor carrier less truckload service (Class 100 LTL)	1306	954
Freight forwarder (Class 100 less than 1000# lots)	1236	954 (Westbound)
Airfreight general commodity rate	1445	1655

SOURCES: Air Cargo Tariff CAB 169; J. L. Beeler Tariff #15; Freight Forwarder Tariff Bureau #2C; Rocky Mountain Motor Tariff Bureau Tariffs 303 and 521; Transcontinental Freight Bureau Tariffs 24, 230, and 1015A; Western Trunk Lines Tariff 1000A.

The rates which apply upon this commodity are shown in Table 3.3.

This comparison reveals that in less-than-volume lots the cheapest alternative to Los Angeles is freight forwarder and to Chicago is rail, boxcar. We know, however, that the latter requires a minimum of 6000 pounds with no freight house handling. Thus the LTV rail service is not truly competitive with truck. In the volume category motor freight rates are probably the most satisfactory although there is an attractive piggyback rate on 70,000 pounds. Here again, the piggyback service is ramp to ramp and not directly comparable to motor carrier pickup and delivery service.

This serves to illustrate the difficulty of comparing the modes and demonstrates the attractiveness of motor carrier service in this instance. Motor freight carriers have an additional attractiveness at the many other points in the region where the other alternatives are not available.

TABLE 3.3

(Rates in cents per hundred pounds)

From Denver:	to Los Angeles Rail Miles 1252 Highway Miles 1059			to Chicago Rail Miles 1006 Highway Miles 996		
Via:	LTV	Vol.	Volume Min. Weight	LTV	Vol.	Volume Min. Weight
Railroad:						
Boxcar	(1) 1143	(2) 536 510	on 30,000# on 40,000#	(8) 765	(9) 359	on 30,000#
Piggyback ramp to ramp		(11) 526	on 30,000#		(7) 141	on 70,000#
Motor Carrier	(4) 1107	(3) 390 323	on 10,000# on 20,000#	(5) 810	(5) 304	on 30,000#
Freight Forwarder	(10) 1074			No eastbound service		
Air Cargo	(6) 1445			(6) 1655		

Explanations and sources:

LTV = less than volume, i.e., less-than-truckload or less-than-carload
Vol.= volume
(1) = Class 85 LCL rate, Transcontinental Freight Bureau Tariff 1015A, this service requires a minimum weight of 4000 or more, depending on railroad with shipper to load and consignee unload
(2) = Commodity rates, Item 7085 Transcontinental Freight Bureau Tariff 1-W

(continued)

(Explanations and sources, continued)

(3) = Commodity rates, Item 5888-I, Rocky Mountain Motor Tariff Bureau Tariff 225
(4) = Class 85 rate, Rocky Mountain Motor Tariff Bureau Tariff 521
(5) = Class 85 rate, Rocky Mountain Motor Tariff Bureau Tariff 303, and Class 40 on volume
(6) = Air cargo Tariff CAB 169
(7) = TOFC (trailer on flat car) rate, Item 8060-N, Western Trunk Lines Tariff 445F.
(8) = Class 85 rate, Western Trunk Lines Tariff 1000A
(9) = Class 40 rate, Western Trunk Lines Tariff 1000A
(10) = Class 85, Ameri-Con Freight Forwarder tariff
(11) = TOFC rate, Item 1955, Transcontinental Freight Bureau Tariff 23-O

The next chapter begins specific consideration of motor freight carrier rates into and between representative points selected for study.

CHAPTER 4

Introduction to Rate Investigation

This chapter deals with the first phase of the investigation of the motor freight rate structure in the states of the project study area. The rates studied herein are all interstate rates and are, therefore, more or less, long distance in character.

As discussed in the Preface, certain hypotheses are made in this chapter about the regional motor freight rate structure. These hypotheses were drawn from allegations and remarks made by interested parties in discussions of the necessity for the work. Hypotheses provide a useful tool because they allow the data to be presented as a test of a clearly stated proposition or position.

The Introductory Hypotheses

Three hypotheses regarding interstate common carrier motor freight class rates into and within the project study area are considered in the discussion which follows in this chapter and Chapter 5.

1. Through rates are published only to a limited number of rate groups; many small points are not covered by these rate groups.

2. Arbitrary rates and/or combinations of local rates must be used to reach many points not covered in rate groups.

3. Generally, there is no continuous, uniform relationship between mileage and the subject freight rates as described above; in some cases rates may be higher for shorter than for longer distances in the same direction or even over the same route.

A discussion of each of these hypotheses follows. Subsequently, in Chapter 5, data are presented relative to each state in the project study area. Each state displays its own peculiarities. Therefore, all three hypotheses are discussed collectively for each state. Since the states are treated in alphabetical order, the material about Colorado is slightly more explanatory than the subsequent discussions.

Through Rates and Rate Groups

This section expands upon the first hypothesis above which is restated for uniformity of discussion:

1. Through rates are published only to a limited number of rate groups; many small points are not covered by these rate groups.

Clarification of hypothesis. Essentially, a rate group is a relatively small geographical region containing several cities or towns. The rate to these towns from some reasonably distant external point is exactly the same even though the total mileage from the distant point to each town is different. This is done in order to simplify rate publication and is possible because of the "tapering principle" of freight rates.[1]

As understood in this study a "through rate" is a single factor rate. It may apply over the lines of one carrier or be published by two or more carriers who are forming a combined haul. Because of the tapering principle, through rates tend to be lower per mile than combinations of local rates which are an alternative.

Part I of the Interstate Commerce Act makes it mandatory for railroads to join together establishing routes over which through (single factor) rates apply. The carriers share in this rate through "division of revenue" agreements which prorate the revenue among them on a mileage or other basis.

Part II of the Interstate Commerce Act makes it permissible for motor carriers of property to establish routes over which through rates apply if they wish to. However, carriers who might participate in such arrangements are often not satisfied with the division of revenue accorded them in the protation agreement. Thus, motor carriers (often small short-line carriers) are frequently reluctant to participate in through rates or seek to abandon those which have been established.

If this first hypothesis is true, we expect to find that to many towns there is no single factor through rate published from points in other states; to these towns (hereafter referred to as non-rate group points) it is then necessary to construct a through rate by adding together some combination of rates.

If this hypothesis is false, we expect to find that particular states are blanketed with rate groups so that to every town there is published a single factor through rate from points in certain other states.

Result. Generally, the data subsequently presented indicate that this first hypothesis is true as far as tariffs of the Rocky Mountain Motor Tariff Bureau are concerned, but not so true of the tariffs of the Middlewest Motor Freight Bureau nor perhaps the Pacific Inland Tariff Bureau.

---

[1]Tapering Principle of Freight Rates: Every transportation journey requires the activities of pickup, assembling, loading, sorting, unloading, delivery and the necessary accompanying documentation. For shipments of the same relative size, these start-up or terminal costs are about the same regardless of how far the movement continues. With the longer distance, however, the costs may be spread over a greater number of mileage units. Although the rate per hundredweight increases as distance increases, it does not increase as fast, so the rate per mile actually decreases. Because of this effect, freight rates are said to "taper" as distance increases.

Method. To investigate this hypothesis, twenty-seven "rate group" maps were prepared. For each state three significant origin points were selected (selection of lists of such points was discussed in Chapter 1). These were used as origins for the rates into each state. Selections were loosely stratified by seeking a reasonably important potential origin from three different directions into each state. Selection of origins was not related to traffic data (which is largely non-existent) beyond the basic knowledge which the consultants have about the nature of the industry. Some of the origins are undoubtedly less important as traffic generators than others, but the overall effect was one of representing as many variables of traffic combinations as possible within a reasonably economical sample.

Rates to Non-rate-group Points

The second of our hypotheses is restated for purposes of discussion and clarification:

2. Arbitrary rates and/or combinations of local rates must be used to reach many points not covered in rate groups.

Clarification of hypothesis. To the uninitiated it might seem that the simplest method of rate publication would be to publish a rate from each town to every other town. In practice, however, this is very complex and some simplification is sought because (1) it is simpler to publish one rate which applies to several towns, (2) due to the tapering principle, discussed earlier, costs tend to blanket over a destination area, and (3) some towns do not have a large enough traffic to justify the effort of publishing a rate. Rate groups, therefore, are an effort at tariff simplification.

If the first hypothesis, as above, is true, however, many towns are not covered by rate groups. What then are the alternatives for publishing rates to towns which are not covered by rate groups? Four alternatives are considered:

1. Make a rate by intermediate application. That is, when a town is located between two rate groups, apply the rate applicable to the next rate group beyond the town you are rating.

2. Find the rate to the nearest rate group city where carriers interchange traffic and then add the local published tariff rate (often over a small local carrier) from the interchange point to the desired destination.

3. Find the rate to an interchange point as above, and then add an "arbitrary" rate to cover the movement from the interchange point to the desired destination.

4. Find the rate to an interchange point as above, and then add a mileage rate (a tariff rate published on the basis of a certain number of cents per hundred pounds per mile) applicable to the number of miles from interchange to destination.

If the second hypothesis is true, we expect to find that of the above, arbitraries and combinations of local rates are the most commonly used means of determining the additional rate to be assessed beyond a rate group to reach a non-rate-group point.

Method. To investigate this hypothesis, a list of several non-rate-group towns was selected from the three rate-group maps for each state. The rates with appropriate notations and tariff references were then determined to the subject points. These are presented in alphabetical order in a table in each state data set in Chapter 5. These tables follow the rate group maps in each set and are titled "Class 100 LTL Rates from (origin) to typical non-rate-group points in the State of (state)."

Result. Generally, the data subsequently presented, again, indicate that the second hypothesis is true. Arbitraries, in particular, are extensively used to construct rates to non-rate-group points in the project study area. This is not to say that they are properly utilized, however. In evaluating the data, reference should be made to whether or to what extent the other alternatives discussed above are utilized. Therefore, discussion of them follows.

1. Intermediate application: A logical method of determining a rate to a point for which there is no published rate in a tariff is through the process of intermediate application. This is widely used in railroad rate publication because of the "long and short haul clause" which appears in Section 4 of Part I of the Interstate Commerce Act. The basic provision of this clause reads as follows:

> (1) It shall be unlawful for any common carrier subject to this part or Part III to charge or receive any greater compensation in the aggregate for the transportation of passengers, or of like kind of property, for a shorter than for a longer distance over the same line or route in the same direction, the shorter being included within the longer distance, or to charge any greater compensation as a through rate than the aggregate of the intermediate rates subject to the provisions of this part or Part III, but this shall not be construed as authorizing any common carrier within the terms of this part or Part III to charge or receive as great compensation for a shorter as for a longer distance:

A noted authority on freight rates defines the principle of intermediate application, as follows: [1]

> An intermediate rate is a rate from or to an unnamed intermediate point in a tariff, which is made by operation of the intermediate rule in the tariff. Its primary purpose is to provide for rates on shipments in harmony with the fourth

---

[1] William J. Knorst, Transportation and Traffic Management (Chicago: College of Advanced Traffic, 1948), Vol. 2, page 526.

section of the Interstate Commerce Act. In addition, intermediate rules are permitted to save carriers the expense of publishing specific rates from or to intermediate points. The rules are published voluntarily by the carriers, and they may restrict them if they deem it advisable. The restriction, however, must be clear and definite.

A rate made by intermediate application has the same legal standing as a specific rate, notwithstanding its manner of creation. In this connection, the Commission in the case of Butler Bros. v. Baltimore & Ohio R. Co., 231, ICC 618, 622, held:

> "An intermediate provision in a tariff establishes specific rates just as positively, plainly, and legally as if the rate on the commodity shipped had been specifically provided to the point of destination."

The intermediate rule must be construed in the light of all pertinent provisions contained in the tariff. It may not be used to broaden the scope of the tariff where the origin and destination territories are clearly defined, and by its terms applies only in the absence of a specific rate. This was definitely affirmed by the Commission in England, Walton & Co., Inc., v. Pennsylvania R. Co., 190 ICC 141, wherein it held:

> "The specific rates so take precedence whether in the same or different tariffs, or whether the specific rate is published to become effective before or after the effective date of the rate under the intermediate rule."

In line with the above citation, practically all intermediate rules contain exceptions that if there are rates elsewhere published to the intermediate points, the rule will not operate to set such rates aside.

The gentleman is, of course, speaking of rail rates. However, it may be seen that this is a useful method of making sure that a near point is not charged more than one further distant.

There is no long and short haul provision in Part II of the Interstate Commerce Act which applies to motor carriers. Therefore, interstate truck lines are not unduly concerned about charging more for a short haul than a long haul. Intermediate application remains, however, a method by which motor carriers could "save...the expense of publishing specific rates from or to intermediate points."

Generally, the motor freight carriers in the project study area do not make extensive use of the principle of intermediate application. The tariffs to which we referred in the construction of the rate-group

maps make provision for intermediate application and each carries a rule concerning it. These rules appear as Exhibits 4.1 through 4.11, which follow. However, many of these rules carry so many restrictions and exceptions that the geographical area covered by intermediate application is very small.

Attention is directed to the tariff pages shown in these exhibits. Examination will show that the intermediate application rules shown there are hedged with many geographic restrictions. In addition, other restrictions are common. For instance, in tariffs RMB 301, RMB 302, RMB 303, RMB 304A, RMB 319A, and RMB 521 intermediate application cannot be used for shipments of under 500 pounds weight. In tariffs RMB 330A and RMB 334A the restriction is 1,000 pounds.

Attention is especially directed to the pages from the Middlewest Motor Freight Bureau Tariffs. Items 281 of Tariffs MWB 501 and MWB 502A and Item 148 of Tariff MWB 540 present what are, apparently, completely unrestricted intermediate application rules. Thus, in the portion of the project study area represented by the following rate group maps--Colorado from Minneapolis origin, Nebraska from Chicago and Dallas origins, New Mexico from Kansas City, North Dakota from Denver and Minneapolis origins, and South Dakota from Kansas City and Minneapolis origins--intermediate application would be utilized.

(Text continues on page 4.35)

ROCKY MOUNTAIN MOTOR TARIFF BUREAU, INC., AGENT

SECTION 1

RULES	ITEM
IMPORT SHIPMENT AS APPLIED TO IMPORT TRAFFIC, A SHIPMENT IS A LOT OF FREIGHT RECEIVED FROM ONE SHIPPER, AT ONE POINT AT ONE TIME FOR ONE CONSIGNEE AT ONE DESTINATION AND COVERED ON ONE BILL OF LADING, EXCEPT AS FOLLOWS: IN INSTANCES WHERE AN ORIGINAL SINGLE IMPORT CONSIGNMENT IS DIVIDED INTO TWO SEGMENTS BEFORE COMING INTO THE POSSESSION OF THE INLAND CARRIER PARTY HERETO, I.E. (1) ORIGINAL SHIPMENT FROM STEAMSHIP DOCK, WHARF, WAREHOUSE OR OTHER POINT OF TENDER AND (2) PART-LOT TO BE MOVED FROM THE US APPRAISER'S STORES (OR OTHER LOCATION WITHIN THE CUSTODY OF THE US CUSTOMS SERVICE), SUCH SEPARATE SEGMENTS OF THE IMPORT CONSIGNMENT WILL BE CONSIDERED AS A SINGLE SHIPMENT AND RATED ACCORDINGLY.	569-5
INTERMEDIATE POINTS ♦(SUBJECT TO NOTE 9) (1) COMMODITY RATES APPLICABLE FROM INTERMEDIATE POINTS WHEN ANY POINT OF ORIGIN IS NOT PROVIDED IN THIS TARIFF WITH A COMMODITY RATE ON A GIVEN ARTICLE TO A PARTICULAR DESTINATION OVER A PARTICULAR ROUTE, AND SUCH ORIGIN IS BETWEEN THE CONSIDERED DESTINATION AND A POINT FROM WHICH A COMMODITY RATE ON THE ARTICLE IS PUBLISHED HEREIN OVER THE SAME ROUTES TO SUCH A DESTINATION, APPLY ON SUCH ARTICLE THE COMMODITY RATE FROM THE NEXT MORE-DISTANT POINT FROM WHICH A COMMODITY RATE IS NAMED THEREON OVER THE CONSIDERED ROUTE THROUGH THE INTERMEDIATE POINT, EXCEPT AS PROVIDED IN NOTES 1, 2, 3 AND 4. (2) COMMODITY RATES APPLICABLE TO INTERMEDIATE POINTS WHEN ANY POINT OF DESTINATION IS NOT PROVIDED IN THIS TARIFF WITH A COMMODITY RATE ON A GIVEN ARTICLE FROM A PARTICULAR ORIGIN OVER A PARTICULAR ROUTE, AND SUCH DESTINATION IS BETWEEN THE CONSIDERED ORIGIN AND A POINT TO WHICH A COMMODITY RATE ON THE ARTICLE IS PUBLISHED HEREIN OVER THE SAME ROUTE FROM SUCH ORIGIN, APPLY ON SUCH ARTICLE THE COMMODITY RATE TO THE NEXT MORE-DISTANT POINT TO WHICH A COMMODITY RATE IS NAMED THEREON OVER THE CONSIDERED ROUTE THROUGH THE INTERMEDIATE POINT, EXCEPT AS PROVIDED IN NOTES 5, 6, 7 AND 8. (3) CLASS RATES FROM AND TO INTERMEDIATE POINTS FROM OR TO ANY POINT WHERE CLASS RATES ARE NOT NAMED FROM THE CONSIDERED POINT OF ORIGIN OR DESTINATION WHICH IS INTERMEDIATE TO A POINT FROM OR TO WHICH CLASS RATES ARE PUBLISHED THROUGH SUCH UNNAMED POINT, THE CLASS RATES PUBLISHED OVER THE SAME ROUTE FROM OR TO THE NEXT MORE DISTANT POINT WILL BE APPLIED. CLASS RATES DETERMINED BY THIS RULE APPLY ONLY ON SHIPMENTS WHICH WEIGH 500 POUNDS OR MORE, OR ON SHIPMENTS ON WHICH CHARGES ARE ASSESSED ON THE BASIS OF 500 POUNDS OR MORE.	①② 577

(ITEM CONCLUDED ON PAGE 174 SERIES)

① - PROVISIONS OF THIS ITEM DO NOT APPLY IN CONNECTION WITH TRAFFIC MOVING FROM OR TO POINTS IN COLORADO, NEVADA OR UTAH.
② - PROVISIONS OF THIS ITEM DO NOT APPLY TO IRREGULAR-ROUTE OPERATIONS.
FOR EXPLANATION OF NOTES 1, 2, 3, 4, 5, 6, 7, 8 AND 9, SEE PAGE 174 SERIES.
♦THAT PORTION OF ITEM 577 SHOWN HEREON WAS FORMERLY SHOWN ON ORIGINAL PAGE 174.

EXHIBIT 4.1

Item 577 Tariff RMB 301
and pages 154, 155, 156, 157, 158
showing geographical list of points

ROCKY MOUNTAIN MOTOR TARIFF BUREAU, INC., AGENT

SECTION 1 EXHIBIT 4.1, p. 2

RULES	ITEM
INTERMEDIATE POINTS (SUBJECT TO NOTE 9)	①② 577
NOTE 1 - WHEN, BY REASON OF BRANCH OR DIVERGING ROUTES, THERE ARE MORE THAN ONE MORE-DISTANT POINTS FROM WHICH COMMODITY RATES ON THE ARTICLE TO THE CONSIDERED DESTINATION ARE NAMED HEREIN, APPLY THE RATE FROM THE MORE-DISTANT POINT, WHICH, ON THAT ARTICLE TO THE SAME DESTINATION OVER THE SAME ROUTE, RESULTS IN THE LOWEST CHARGE.	
NOTE 2 - IF THE INTERMEDIATE POINT IS LOCATED BETWEEN TWO POINTS FROM WHICH COMMODITY RATES ON THE SAME ARTICLE ARE PUBLISHED IN THIS TARIFF TO THE SAME DESTINATION OVER THE SAME ROUTE, APPLY THAT ONE OF SUCH RATES WHICH RESULT IN THE HIGHER CHARGE. IF, DUE TO BRANCH OR DIVERGING ROUTES, THERE ARE TWO OR MORE NEXT MORE-DISTANT POINTS IN THE SAME DIRECTION, ONLY THAT ONE OF SUCH POINTS FROM WHICH THE LOWEST CHARGE RESULTS WILL BE CONSIDERED IN APPLYING THE PROVISIONS OF THIS NOTE.	
NOTE 3 - IF THE CLASS RATE ON THE SAME ARTICLE TO THE SAME DESTINATION OVER THE SAME ROUTE FROM THE INTERMEDIATE POINT PRODUCES A LOWER CHARGE THAN WOULD RESULT FROM APPLYING THE COMMODITY RATE UNDER THIS RULE, SUCH COMMODITY RATE WILL NOT APPLY.	
NOTE 4 - IF THERE IS IN ANY OTHER TARIFF A COMMODITY RATE (NOT MADE BY USE OF AN INTERMEDIATE POINT RULE) PUBLISHED FOR ACCOUNT OF THE SAME CARRIER OR CARRIERS ON THE SAME ARTICLE FROM THE CONSIDERED INTERMEDIATE POINT, APPLICABLE TO THE SAME DESTINATION OVER THE SAME ROUTE, THE PROVISIONS OF THIS RULE WILL NOT BE APPLIED FROM SUCH INTERMEDIATE POINT.	
NOTE 5 - WHEN, BY REASON OF BRANCH OR DIVERGING ROUTES, THERE ARE MORE THAN ONE MORE-DISTANT POINTS TO WHICH COMMODITY RATES ON THE ARTICLE FROM THE CONSIDERED ORIGIN ARE NAMED HEREIN, APPLY THE RATE TO THE MORE-DISTANT POINT WHICH, ON THAT ARTICLE FROM THE SAME ORIGIN OVER THE SAME ROUTE, RESULTS IN THE LOWEST CHARGE.	
NOTE 6 - IF THE INTERMEDIATE POINT IS LOCATED BETWEEN TWO POINTS TO WHICH COMMODITY RATES ON THE SAME ARTICLE ARE PUBLISHED IN THIS TARIFF FROM THE SAME ORIGIN OVER THE SAME ROUTE, APPLY THAT ONE OF SUCH RATES WHICH RESULTS IN THE HIGHER CHARGE. IF, DUE TO BRANCH OR DIVERGING ROUTES, THERE ARE TWO OR MORE NEXT MORE-DISTANT POINTS IN THE SAME DIRECTION, ONLY THAT ONE OF SUCH POINTS TO WHICH THE LOWEST CHARGE RESULTS WILL BE CONSIDERED IN APPLYING THE PROVISIONS OF THIS NOTE.	
NOTE 7 - IF THE CLASS RATE ON THE SAME ARTICLE FROM THE SAME ORIGIN OVER THE SAME ROUTE TO THE INTERMEDIATE POINT PRODUCES A LOWER CHARGE THAN WOULD RESULT FROM APPLYING THE COMMODITY RATE UNDER THIS RULE, SUCH COMMODITY RATE WILL NOT APPLY.	
NOTE 8 - IF THERE IS IN ANY OTHER TARIFF A COMMODITY RATE (NOT MADE BY USE OF AN INTERMEDIATE POINT RULE) PUBLISHED FOR ACCOUNT OF THE SAME CARRIER OR CARRIERS ON THE SAME ARTICLE TO THE CONSIDERED INTERMEDIATE POINT, APPLICABLE FROM THE SAME ORIGIN OVER THE SAME ROUTE, THE PROVISIONS OF THIS RULE WILL NOT BE APPLIED TO SUCH INTERMEDIATE POINT.	
NOTE 9 - THE PROVISIONS OF THE GEOGRAPHICAL INDEX OF POINTS AND HIGHWAY ROUTES PUBLISHED IN ITEM 3 TO THIS TARIFF SHALL GOVERN THE APPLICATION OF RATES TO OR FROM INTERMEDIATE POINTS.	
MATCHES, BOOK	587
SHIPMENTS OF BOOK MATCHES WILL BE ACCEPTED ONLY ON FREIGHT PREPAID BASIS.	

① - PROVISIONS OF THIS ITEM DO NOT APPLY IN CONNECTION WITH TRAFFIC MOVING FROM OR TO POINTS IN COLORADO, NEVADA OR UTAH.
② - PROVISIONS OF THIS ITEM DO NOT APPLY TO IRREGULAR-ROUTE OPERATIONS.
▲ITEM 587 SHOWN HEREON WAS FORMERLY SHOWN ON 1ST REVISED PAGE 174-A.

FOR EXPLANATION OF ABBREVIATIONS OR REFERENCE MARKS NOT EXPLAINED ON THIS PAGE, SEE LAST PAGE OF TARIFF.

ISSUED MARCH 1, 1974 EFFECTIVE APRIL 13, 1974

CORRECTION 2814

ISSUED BY
EVERETT C. FUNK, GENERAL MANAGER
P.O. BOX 5746 TERMINAL ANNEX, DENVER, COLORADO 80217

GEOGRAPHICAL ARRANGEMENT OF POINTS AND HIGHWAY ROUTES OVER WHICH RATES NAMED IN THIS TARIFF APPLY

ITEM 3 CONTINUED

INDEX NO.	ROUTE AND POINTS
	BRANCH ROUTE
	(CONNECTS AT 7375) VIA US 666
7380	▲SAINT JOHNS ..... AZ
	VIA US 666 AND UNNUMBERED HIGHWAY
7385	CONCHO ..... AZ
	END OF BRANCH ROUTE
	BRANCH ROUTE
	(CONNECTS AT 7295) VIA UNNUMBERED HIGHWAY
7390	SAN CARLOS ..... AZ
	END OF BRANCH ROUTE
	ALTERNATE MAIN ROUTE
	(CONNECTS AT 7360) VIA STATE 73
7395	FORT APACHE ..... AZ
7400	WHITERIVER ..... "
7405	MCNARY JUNCTION ..... "
7410	MCNARY ..... "
7415	EAGAR ..... "
	VIA STATE 73 (CONNECTS AT 7375)
	ALTERNATE MAIN ROUTE
	(CONNECTS AT 7365) VIA STATE 173
7420	LAKESIDE ..... AZ
7425	PINETOP ..... "
	VIA STATE 173 (CONNECTS AT 7405)
	BRANCH ROUTE
	(CONNECTS AT 7365) VIA STATE 77
7430	SHUMWAY ..... AZ
7435	TAYLOR ..... "
	VIA STATE 77
7440	SNOWFLAKE ..... AZ
	VIA UNNUMBERED HIGHWAY
7445	▲SOUTHWEST FOREST INDUSTRIES, INC. .. AZ
	END OF BRANCH ROUTE
	BRANCH ROUTE
	(CONNECTS AT 7365) VIA UNNUMBERED HIGHWAY
7450	LINDEN ..... AZ
	VIA UNNUMBERED HIGHWAY
7455	PINEDALE ..... AZ
	END OF BRANCH ROUTE
	BRANCH ROUTE
	(CONNECTS AT 7335) VIA US 666
7460	CLIFTON ..... AZ
	VIA US 666 AND UNNUMBERED HIGHWAY
7465	MORENCI ..... "
	END OF BRANCH ROUTE
	BRANCH ROUTE
	(CONNECTS AT 7335) VIA UNNUMBERED HIGHWAY
7470	▲SAFFORD MINE SITES .. AZ
	END OF BRANCH ROUTE
	BRANCH ROUTE
	(CONNECTS AT 7150) VIA STATE 86 AND UNNUMBERED HIGHWAY
7475	DRAGOON ..... AZ
	END OF BRANCH ROUTE
	BRANCH ROUTE
	(CONNECTS AT 7150) VIA AZ 86 AND UNNUMBERED HIGHWAY
7480	COCHISE ..... AZ
	END OF BRANCH ROUTE
	MAIN ROUTE
	(CONNECTS AT 7150) VIA AZ 86 OR INTERSTATE HIGHWAY 10
7485	WILLCOX ..... AZ
7490	BOWIE JUNCTION ..... "
7495	BOWIE ..... "
7500	SAN SIMON (COCHISE CY) ..... "
7502	STEINS ..... NM
	VIA US 80 OR INTERSTATE HIGHWAY 80 (CONNECTS AT 7890)
	MAIN ROUTE
	(CONNECTS AT 7490) VIA US 666
7505	ARTESIA ..... AZ
7510	SWIFT TRAIL JUNCTION "
	VIA US 666 (CONNECTS AT 7335)
	MAIN ROUTE
	(CONNECTS AT 6250) VIA US 85
7515	HAHN ..... NM
7520	ALAMEDA ..... "
7525	BERNALILLO ..... "
7530	ALGODONES ..... "
	(CONNECTS AT 7535)
	BRANCH ROUTE
	(CONNECTS AT 7530) VIA UNNUMBERED HIGHWAY
7532	DOMINGO ..... NM
	END OF BRANCH ROUTE

(ITEM CONTINUED ON PAGE 155 SERIES)

FOR EXPLANATION OF ABBREVIATIONS OR REFERENCE MARKS NOT EXPLAINED ON THIS PAGE, SEE LAST PAGE OF TARIFF. (CE)

ISSUED JUNE 22, 1973

EFFECTIVE AUGUST 4, 1973

CORRECTION 1609

GEOGRAPHICAL ARRANGEMENT OF POINTS AND HIGHWAY ROUTES OVER WHICH RATES NAMED IN THIS TARIFF APPLY

ITEM 3 CONTINUED

INDEX NO.	ROUTE AND POINTS
	MAIN ROUTE
	(CONNECTS AT 7530) VIA US 85
7535	‡ROSARIO ..... NM
7540	▲‡KAISER GYPSUM PLANT ..... "
7545	SANTA FE ..... "
7550	GLORIETTA ..... "
7555	PECOS ..... "
7560	ROWE ..... "
7565	ILFIELD ..... "
7570	SAN JOSE ..... "
7580	BERNAL ..... "
7585	ROMEROVILLE ..... "
7590	LAS VEGAS ..... "
7595	ONAVA ..... "
7600	WATROUS ..... "
7605	WAGON MOUND ..... "
7610	LEVY ..... "
7620	COLMOR ..... "
7625	SPRINGER ..... "
7630	FRENCH ..... "
7635	MAXWELL ..... "
7645	RATON ..... "
	END OF ROUTE
	BRANCH ROUTE
	(CONNECTS AT 7645) VIA US 64, 87
7646	CAPULIN ..... NM
7646-1	DES MOINES ..... "
7647	GRENVILLE ..... "
7647-1	▲‡MOUNT DORA ..... "
7648	CLAYTON ..... "
	END OF BRANCH ROUTE
	BRANCH ROUTE
	(CONNECTS AT 7545) VIA US 285
7649	POJOAQUE ..... NM
7650	ESPANOLA ..... "
7655	‡CHAMITA ..... "
7660	‡SANTA CRUZ ..... "
7665	‡SAN JUAN ..... "
	VIA STATE 4
▲7666	PETACA ..... "
7675	LOS ALAMOS ..... NM
	END OF BRANCH ROUTE
	BRANCH ROUTE
	(CONNECTS AT 7545) VIA STATE 10
7680	NEW MEXICO STATE PENITENTIARY ... NM
	END OF BRANCH ROUTE

INDEX NO.	ROUTE AND POINTS
	BRANCH ROUTE
	(CONNECTS AT 7650) VIA US 64
7681	TAOS ..... NM
	VIA STATE 3
7681-1	ARROYO HONDO ..... NM
7682	QUESTA ..... "
7684	COSTILLA ..... "
	END OF BRANCH ROUTE
	BRANCH ROUTE
	(CONNECTS AT 7682) VIA STATE 38
7682-1	MOLYBDENUM ..... NM
7683	RED RIVER ..... "
	VIA STATE 38, US 64
7683-1	CIMARRON ..... NM
	END OF BRANCH ROUTE
	① BRANCH ROUTE
	(CONNECTS AT 6250) VIA US 66
7685	TIJERAS ..... NM
7690	SEDILLO ..... "
7695	BARTON ..... "
7700	EDGEWOOD ..... "
7705	MORIARTY ..... "
7710	PALMA ..... "
7715	MILAGRO ..... "
7720	SANTA ROSA ..... "
7725	CUERVO ..... "
7730	NEWKIRK ..... "
7735	MONTOYA ..... "
7740	TUCUMCARI ..... "
	VIA NEW MEXICO 18
	MAIN ROUTE
	(CONNECTS AT 7740) VIA US 54 AND STATE 18
7741	LOGAN ..... NM
7741-1	NARA VISA ..... "
	END OF ROUTE
	BRANCH ROUTE
	(CONNECTS AT 7741-1) VIA STATE 18, 102
7742	AMISTAD ..... NM
7743	STEAD ..... "
7744	SEDAN ..... "
	END OF BRANCH ROUTE

INDEX NO.	ROUTE AND POINTS
	MAIN ROUTE
	(CONNECTS AT 7740) VIA STATE 18
7744-1	QUAY ..... NM
7744-2	RAGLAND ..... "
	(CONNECTS AT 7744-5)
	BRANCH ROUTE
	(CONNECTS AT 7744-2) VIA STATE 86
7744-3	MCALISTER ..... NM
7744-4	HOUSE ..... "
	END OF BRANCH ROUTE
	MAIN ROUTE
	(CONNECTS AT 7744-2) VIA STATE 18
7744-5	‡FORREST ..... NM
7745	GRADY ..... "
7750	‡WHEATLAND ..... "
7750-1	BROADVIEW ..... "
	(CONNECTS AT 7875)
	BRANCH ROUTE
	(CONNECTS AT 7753) VIA US 56 AND UNNUMBERED HIGHWAY
7752	FARLEY ..... NM
	END OF BRANCH ROUTE
	BRANCH ROUTE
	(CONNECTS AT 7625) VIA US 56, STATE 39
7753	ABBOTT ..... NM
7754	MILLS ..... "
7755	ROY ..... "
7757	SOLANO ..... "
7760	MOSQUERO ..... "
7761	‡BUEYEROS ..... "
7763	GALLEGOS ..... "
	END OF BRANCH ROUTE

(ITEM CONTINUED ON PAGE 156 SERIES)

‡ - INDICATES THAT THE POINTS SHOWN ARE NOT ACTUALLY LOCATED ON THE HIGHWAY INDICATED BUT ARE SO CONSIDERED IN APPLYING THE RATES IN THIS TARIFF.

① - IN THE APPLICATION OF ITEM 577 (INTERMEDIATE POINTS), THIS ROUTE SHALL NOT BE USED IN CONNECTION WITH ANY OTHER BRANCH OR MAIN ROUTE OR ROUTE (OR ANY PORTIONS THEREOF) PROVIDED IN THIS "GEOGRAPHICAL ARRANGEMENT OF POINTS AND HIGHWAY ROUTES" TO FORM A CIRCUITOUS ROUTE BETWEEN POINTS IN CALIFORNIA OR ARIZONA ON THE ONE HAND, AND, ON THE OTHER, ALBUQUERQUE, NM OR EL PASO, TX, OR ANY OTHER POINT ON OR WEST OF US HIGHWAY 85.

FOR EXPLANATION OF ABBREVIATIONS OR REFERENCE MARKS NOT EXPLAINED ON THIS PAGE, SEE LAST PAGE OF TARIFF.

ISSUED JUNE 22, 1973

EFFECTIVE AUGUST 4, 1973

CORRECTION 1610

ISSUED BY
EVERETT C. FUNK, GENERAL MANAGER
P.O. BOX 5746 TERMINAL ANNEX, DENVER, COLORADO 80217

ROCKY MOUNTAIN MOTOR TARIFF BUREAU, INC., AGENT

EXHIBIT 4.1, p. 5

GEOGRAPHICAL ARRANGEMENT OF POINTS AND HIGHWAY ROUTES OVER WHICH RATES NAMED IN THIS TARIFF APPLY

ITEM 3 CONTINUED

INDEX NO.	ROUTE AND POINTS
	MAIN ROUTE
	(CONNECTS AT 7740) VIA US 66
7764	SAN JON ..... NM
7764-1	ENDEE ..... "
	END OF ROUTE
	① BRANCH ROUTE
	(CONNECTS AT 7705) VIA STATE 41
7765	MCINTOSH ..... NM
7770	IWITT ..... "
7775	ESTANCIA ..... "
7780	IBLUE SPRINGS ..... "
7785	ISCHOLLE ..... "
7790	IMOUNTAINAIR ..... "
7795	WILLARD ..... "
	VIA US 60
7800	LUCY ..... NM
7805	NEGRA ..... "
7810	ENCINO ..... "
7815	VAUGHN ..... "
7820	IDURAN ..... "
7825	YESO ..... "
7830	FORT SUMNER ..... "
7835	LA LANDE ..... "
7840	TAIBAN ..... "
7845	TOLAR ..... "
7850	MELROSE ..... "
7855	▲SAINT VRAIN ..... "
7860	GRIER ..... "
7865	GALLAHER ..... "
7870	▲CANNON AIR AFB .. "
7875	CLOVIS ..... "
7880	TEXICO ..... "
	END OF BRANCH ROUTE
	BRANCH ROUTE
	(CONNECTS AT 6230) VIA STATE 47
7881	BOSQUE FARMS ..... NM
7882	PERALTA ..... "
7883	VALENCIA ..... "
7884	TOME ..... "
	END OF BRANCH ROUTE
	① BRANCH ROUTE
	(CONNECTS AT 7585) VIA US 84
7885	DILIA ..... NM
	(CONNECTS AT 7720)

INDEX NO.	ROUTE AND POINTS
	MAIN ROUTE
	(CONNECTS AT 7350) VIA US 70
7890	LORDSBURG ..... NM
7895	SEPAR ..... "
7905	GAGE ..... "
7910	DEMING ..... "
7915	AKELA ..... "
7925	LAS CRUCES ..... "
	VIA US 80
7930	ISTATE COLLEGE ... "
7935	MESILLA PARK ..... "
7940	MESQUITE ..... "
7945	VADO ..... "
7950	BERINO ..... "
7955	ANTHONY ..... "
7960	EL PASO ..... TX
	(CONNECTS AT 8315 OR CONNECTS AT 8230)
	BRANCH ROUTE
	(CONNECTS AT 7910) VIA STATE 26
7962	FLORIDA (LUNA CY). NM
7963	NUTT ..... "
	END OF BRANCH ROUTE
	② EL PASO, TEXAS VICINITY POINTS
7965	ANTHONY ..... TX
7970	BORDER STEEL INDUSTRIAL AREA. "
7975	CANUTILLO ..... "
7980	HORIZON CITY ..... "
7985	HUECO TANKS SUBDIVISION .... "
7990	LA TUNA ..... "
7995	MONTOYA ..... "
8000	VINTON ..... "
8010	WILCO SUBDIVISION. "
	MAIN ROUTE
	(CONNECTS AT 7925) VIA STATE 28
8015	*MESILLA ..... NM
8020	SANTO TOMAS ..... "
8025	LA MESA ..... "
	(CONNECTS AT 7960) VIA STATE 28 AND US 80

INDEX NO.	ROUTE AND POINTS
	BRANCH ROUTE
	(CONNECTS AT 7925) VIA US 70 AND UNNUMBERED HIGHWAY
8030	WHITE SANDS MISSILE RANGE (CANTONMENT AREA) ..... NM
	END OF BRANCH ROUTE
	MAIN ROUTE
	(CONNECTS AT 7230) VIA US 80
8045	RODEO ..... NM
	(CONNECTS AT 7890)
	MAIN ROUTE
	(CONNECTS AT 7925) VIA US 85
8055	DONA ANA ..... NM
8060	IHILL ..... "
8065	RADIUM SPRINGS .... "
8075	IRINCON ..... "
8080	RODEY ..... "
8085	HATCH ..... "
8090	SALEM ..... "
8095	GARFIELD ..... "
8100	DERRY ..... "
8105	ARREY ..... "
8110	CABALLO DAM ..... "
8115	LAS PALOMAS ..... "
8120	TRUTH OR CONSEQUENCES .... "
8125	ISAN MARCIAL ..... "
8130	ELMENDORF ..... "
8135	SAN ANTONIO ..... "
8140	SOCORRO ..... "
8145	LEMITAR ..... "
8142	FLORIDA (SOCORRO CY) ..... "
8150	POLVADERA ..... "
8155	SAN ACACIA ..... "
8160	BERNARDO ..... "
8165	ABEYTAS ..... "
8170	SABINAL ..... "
8175	BOSQUE ..... "
8180	BELEN ..... "
8185	LOS CHAVEZ ..... "
	(CONNECTS AT 6225)

(ITEM CONTINUED ON PAGE 157 SERIES)

I - INDICATES THAT THE POINTS SHOWN ARE NOT ACTUALLY LOCATED ON THE HIGHWAY INDICATED BUT ARE SO CONSIDERED IN APPLYING THE RATES IN THIS TARIFF.

* - ALSO CONNECTS AT MESILLA PARK, NM (INDEX NUMBER 7935) VIA UNNUMBERED HIGHWAY.

① - IN THE APPLICATION OF ITEM 577 (INTERMEDIATE POINTS), THIS ROUTE SHALL NOT BE USED IN CONNECTION WITH ANY OTHER BRANCH OR MAIN ROUTE OR ROUTE (OR ANY PORTIONS THEREOF) PROVIDED IN THIS "GEOGRAPHICAL ARRANGEMENT OF POINTS AND HIGHWAY ROUTES" TO FORM A CIRCUITOUS ROUTE BETWEEN POINTS IN CALIFORNIA OR ARIZONA ON THE ONE HAND, AND, ON THE OTHER, ALBUQUERQUE, NM OR EL PASO, TX, OR ANY OTHER POINT ON OR WEST OF US HIGHWAY 85.

② - EL PASO, TX VICINITY POINTS LISTED ARE NOT SUBJECT TO INTERMEDIATE APPLICATION.

FOR EXPLANATION OF ABBREVIATIONS OR REFERENCE MARKS NOT EXPLAINED ON THIS PAGE, SEE LAST PAGE OF TARIFF. (CE)

ISSUED JUNE 22, 1973

EFFECTIVE AUGUST 4, 1973

CORRECTION 1611

ROCKY MOUNTAIN MOTOR TARIFF BUREAU, INC., AGENT

EXHIBIT 4.1, p. 6

GEOGRAPHICAL ARRANGEMENT OF POINTS AND HIGHWAY ROUTES OVER WHICH RATES NAMED IN THIS TARIFF APPLY

ITEM 3 CONTINUED

INDEX NO.	ROUTE AND POINTS
	BRANCH ROUTE
	(CONNECTS AT 7910) VIA US 260
8190	‡FAYWOOD ..... NM
8195	HURLEY ..... "
8200	BAYARD ..... "
8205	CENTRAL ..... "
8210	FORT BAYARD ..... "
8215	WHISKEY CREEK ..... VIA US 260
8220	SILVER CITY ..... NM
	END OF BRANCH ROUTE
	BRANCH ROUTE
	(CONNECTS AT 7890) NM STATE 180
8225	WHITE SIGNAL ..... NM
	(CONNECTS AT 8220)
	END OF BRANCH ROUTE
	BRANCH ROUTE
	(CONNECTS AT 8110) VIA NM 180
8230	HILLSBORO ..... NM
8235	KINGSTON ..... "
8240	SAN LORENZO ..... "
8245	SANTA RITA ..... "
8250	COBRE ..... "
8260	‡TURNERVILLE ..... "
8270	HANOVER ..... "
8275	‡FIERRO ..... "
8280	VANADIUM ..... "
	VIA NEW MEXICO 180
	(CONNECTS AT 8220)
	END OF BRANCH ROUTE
	① BRANCH ROUTE
	(CONNECTS AT 8120) VIA STATE 52
8285	ELEPHANT BUTTE DAM NM
8290	ENGLE ..... "
	END OF BRANCH ROUTE

INDEX NO.	ROUTE AND POINTS
	MAIN ROUTE
	(CONNECTS AT 7375) VIA US 60
8295	QUEMADO ..... NM
8300	PIE TOWN ..... "
8305	DATIL ..... "
8310	MAGDALENA ..... "
8312	NEWMAN ..... "
	VIA US 60
	(CONNECTS AT 8140)
	① BRANCH ROUTE
	(CONNECTS AT 7960) VIA US 54
8315	OROGRANDE ..... NM
8320	ESCONDIDO ..... "
8325	VALMONT ..... "
8330	ALAMOGORDO ..... "
8335	TULAROSA ..... "
8340	THREE RIVERS ..... "
8345	▲‡HOLLOMAN AFB ..... "
8350	CARRIZOZO ..... "
	END OF BRANCH ROUTE
	BRANCH ROUTE
	(CONNECTS AT 8350) VIA US 380
8360	RED CANYON RANGE SITE ..... NM
	END OF BRANCH ROUTE
	① BRANCH ROUTE
	(CONNECTS AT 7960) VIA US 62
8365	WHITES CITY ..... NM
8370	‡CARLSBAD CAVERNS ..... "
8375	CARLSBAD ..... "
	END OF BRANCH ROUTE
	BRANCH ROUTE
	(CONNECTS AT 8465) VIA US 380
8380	CAPROCK ..... NM
8385	TATUM ..... "
	VIA STATE 18
8390	CROSSROADS ..... NM
8395	MILNESAND ..... "
8400	DORA ..... "
8405	PORTALES ..... "
	VIA US 70
	(CONNECTS AT 7875)
	END OF BRANCH ROUTE

INDEX NO.	ROUTE AND POINTS
	MAIN ROUTE
	(CONNECTS AT 8385)
8406	MCDONALD ..... NM
8406-1	LOVINGTON ..... "
8407	HOBBS ..... "
8407-1	‡MONUMENT ..... "
8408	‡OIL CENTER ..... "
8408-1	EUNICE ..... "
8409	JAL ..... "
	END OF ROUTE
	① BRANCH ROUTE
	(CONNECTS AT 8335) VIA US 70
8410	BENT ..... NM
8415	MESCALLERO ..... "
8425	‡RUIDOSO ..... "
8430	HOLLYWOOD ..... "
8435	GREENTREE ..... "
8440	GLENCOE ..... "
8445	SAN PATRICIO ..... "
8450	HONDO ..... "
8455	TINNIE ..... "
8460	PICACHO ..... "
8465	ROSWELL ..... "
8470	ACME ..... "
8475	KENNA ..... "
8480	ELIDA ..... "
8485	DELPHOS ..... "
	(CONNECTS AT 8400)
	BRANCH ROUTE
	(CONNECTS WITH NAVA ONLY AT INDEX NUMBER 8465 VIA US 380 AND US 85
8490	LINCOLN ..... NM
8495	‡FORT STANTON ..... "
8500	CAPITAN ..... "
	(CONNECTS AT 8350)
8505	BINGHAM ..... NM
8510	CARTHAGE ..... "
	(CONNECTS AT 8140 AS ORIGIN OR DESTINATION POINT ONLY)
	END OF BRANCH ROUTE

(ITEM CONCLUDED ON PAGE 158 SERIES)

‡ - INDICATES THAT THE POINTS SHOWN ARE NOT ACTUALLY LOCATED ON THE HIGHWAY INDICATED BUT ARE SO CONSIDERED IN APPLYING THE RATES IN THIS TARIFF.

① - IN THE APPLICATION OF ITEM 577 (INTERMEDIATE POINTS), THIS ROUTE SHALL NOT BE USED IN CONNECTION WITH ANY OTHER BRANCH OR MAIN ROUTE OR ROUTE (OR ANY PORTIONS THEREOF) PROVIDED IN THIS "GEOGRAPHICAL ARRANGEMENT OF POINTS AND HIGHWAY ROUTES" TO FORM A CIRCUITOUS ROUTE BETWEEN POINTS IN CALIFORNIA OR ARIZONA ON THE ONE HAND, AND, ON THE OTHER, ALBUQUERQUE, NM OR EL PASO, TX, OR ANY OTHER POINT ON OR WEST OF US HIGHWAY 85.

FOR EXPLANATION OF ABBREVIATIONS OR REFERENCE MARKS NOT EXPLAINED ON THIS PAGE, SEE LAST PAGE OF TARIFF. (SE)

ISSUED JUNE 22, 1973

EFFECTIVE AUGUST 4, 1973

CORRECTION 1612

ISSUED BY
EVERETT C. FUNK, GENERAL MANAGER
P.O. BOX 5746 TERMINAL ANNEX, DENVER, COLORADO 80217

MK

GEOGRAPHICAL ARRANGEMENT OF POINTS AND HIGHWAY ROUTES OVER WHICH RATES NAMED IN THIS TARIFF APPLY

ITEM 3 CONCLUDED

Index No.	Route and Points
	BRANCH ROUTE
	(Connects at 8465) VIA UNNUMBERED HIGHWAY
8515	ARoswell Industrial Air Center ..... NM
	End of Branch Route
	BRANCH ROUTE
	(Connects at 8375) VIA US 285
8520	Lakewood ..... NM
8525	Dayton ..... "
8530	Atoka ..... "
8535	Artesia ..... "
8540	Lake Arthur ..... "
8545	Hagerman ..... "
8550	Greenfield ..... "
8555	Dexter ..... "
	(Connects at 8465)
8560	Ramon ..... NM
	(Connects at 7315)
	BRANCH ROUTE
	(Connects at 8465) VIA US 285 AND STATE 20
8565	Dunlap ..... NM
	(Connects at 7830)
	BRANCH ROUTE
	(Connects at 8330 OR Connects at 8335) VIA US 54 AND STATE 83
8570	High Rolls ..... NM
8580	Cloudcroft ..... "
8590	Mayhill ..... "
8595	Elk ..... "
8605	Hope ..... "
	End of Branch Route

Index No.	Route and Points
	BRANCH ROUTE
	(Connects at 8375) VIA US 285
8610	Otis ..... NM
8615	Loving ..... "
8620	Malaga ..... "
8625	Red Bluff ..... "
	End of Branch Route
	MAIN ROUTE
	(Connects at 470) VIA US 40
9000	Reno ..... NV
9005	Sparks ..... "
9010	Lovelock ..... "
9015	Winnemucca ..... "
9020	Battle Mountain ..... "
9025	Elko ..... "
9030	Wells ..... "
	End of Route
	MAIN ROUTE
	(Connects at 9000) VIA US 395
9035	Carson City ..... NV
	VIA US 50
9040	Fallon ..... "
9042	Fallon Naval Auxiliary Air Station ..... "
9045	Austin ..... "
9050	Eureka ..... "
9055	Kimberly ..... "
9060	Ruth ..... "
9065	Ely ..... "
	End of Route

Index No.	Route and Points
	MAIN ROUTE
	(Connects at 9035) VIA US 395
9066	Minden ..... NV
9067	Gardnerville ..... "
	VIA US 395 (Connects at 3140)
	MAIN ROUTE
	(Connects at 2190) VIA US 91, 466
9070	Las Vegas ..... NV
	VIA US 93, 466
9075	Henderson ..... "
9080	Boulder City ..... "
	(Connects at 6025)
	BRANCH ROUTE
	(Connects at 9070) VIA US 93, 466
9085	North Las Vegas ..... NV
9090	ANellis AFB ..... "
	VIA UNNUMBERED HIGHWAY
9091	Lake Mead Base ..... "
	End of Branch Route
	BRANCH ROUTE
	(Connects at 9070)
9092	Mercury Zone 1 ..... NV
	End of Branch Route
	BRANCH ROUTE
9094	Jackass Flats ..... NV
9096	Tonopah ..... "
9098	Hawthorne ..... "
	End of Branch Route

FOR EXPLANATION OF ABBREVIATIONS OR REFERENCE MARKS NOT EXPLAINED ON THIS PAGE, SEE LAST PAGE OF TARIFF. (CF)

ISSUED June 22, 1973

EFFECTIVE August 4, 1973

Correction 1613

ISSUED BY
EVERETT C. FUNK, GENERAL MANAGER
P.O. BOX 5746 TERMINAL ANNEX, DENVER, COLORADO 80217

TARIFF ICC RMB 302
(Formerly Tariff 2-F, MF-ICC 171)

8TH REVISED PAGE 1

ROCKY MOUNTAIN MOTOR TARIFF BUREAU, INC., AGENT

SECTION 3

RULES	ITEM
	577

INTERMEDIATE POINTS
(SUBJECT TO NOTES 1, 2 AND 13)

(1) COMMODITY RATES APPLICABLE FROM INTERMEDIATE POINTS (SUBJECT TO NOTE 14)

WHEN ANY POINT OF ORIGIN IS NOT PROVIDED IN THIS TARIFF WITH A VOLUME COMMODITY RATE ON A GIVEN ARTICLE TO A PARTICULAR DESTINATION OVER A PARTICULAR ROUTE, AND SUCH ORIGIN IS BETWEEN THE CONSIDERED DESTINATION AND A POINT FROM WHICH A VOLUME COMMODITY RATE ON THE ARTICLE IS PUBLISHED IN THIS TARIFF OVER THE SAME ROUTE TO SUCH DESTINATION, APPLY ON SUCH ARTICLE THE VOLUME COMMODITY RATE FROM THE NEXT MORE-DISTANT POINT FROM WHICH A VOLUME COMMODITY RATE IS NAMED THEREON OVER THE CONSIDERED ROUTE THROUGH THE INTERMEDIATE POINT, EXCEPT AS PROVIDED IN NOTES 3, 4, 5 AND 6.

(2) COMMODITY RATES APPLICABLE TO INTERMEDIATE POINTS (SUBJECT TO NOTE 14)

WHEN ANY POINT OF DESTINATION IS NOT PROVIDED IN THIS TARIFF WITH A VOLUME COMMODITY RATE ON A GIVEN ARTICLE FROM A PARTICULAR ORIGIN OVER A PARTICULAR ROUTE, AND SUCH DESTINATION IS BETWEEN THE CONSIDERED ORIGIN AND A POINT TO WHICH A VOLUME COMMODITY RATE ON THE ARTICLE IS PUBLISHED IN THIS TARIFF OVER THE SAME ROUTE FROM SUCH ORIGIN, APPLY ON SUCH ARTICLE THE VOLUME COMMODITY RATE TO THE NEXT MORE-DISTANT POINT TO WHICH A VOLUME COMMODITY RATE IS NAMED THEREON OVER THE CONSIDERED ROUTE THROUGH THE INTERMEDIATE POINT, EXCEPT AS PROVIDED IN NOTES 7, 8, 9 AND 10.

(3) APPLICATION OF RATES AT INTERMEDIATE POINTS (APPLIES ONLY FOR REGULAR ROUTE CARRIERS)

FROM OR TO ANY POINT FOR WHICH CLASS RATES ARE NOT PUBLISHED IN SECTIONS 7 OR 8 HEREIN, BUT WHICH IS INTERMEDIATE TO A POINT FROM OR TO WHICH RATES ARE PUBLISHED IN SECTIONS 7 OR 8 HEREIN THROUGH SUCH INTERMEDIATE POINT, THE CLASS RATE PUBLISHED IN SECTIONS 7 OR 8 HEREIN OVER THE SAME ROUTE FROM OR TO THE NEXT MORE DISTANT POINT WILL BE APPLIED.

CLASS RATES DETERMINED BY THIS RULE APPLY ONLY ON SHIPMENTS WHICH WEIGH 500 POUNDS OR MORE, OR ON SHIPMENTS ON WHICH CHARGES ARE ASSESSED ON THE BASIS OF 500 POUNDS OR MORE.

NOTE 1 - THE PROVISIONS OF THIS ITEM WILL NOT APPLY FOR THE CONSTRUCTION OF RATES FROM OR TO POINTS IN THE FOLLOWING STATES:

FROM (OR TO)	TO (OR FROM)
COLORADO	IOWA KANSAS ♦MISSOURI NEBRASKA
WYOMING POINTS INCLUDED IN THE CHEYENNE CLASS RATE GROUP	COLORADO IOWA KANSAS ♦MISSOURI NEBRASKA SOUTH DAKOTA
WYOMING OTHER THAN THOSE POINTS INCLUDED IN THE CHEYENNE CLASS RATE GROUP	COLORADO IOWA NEBRASKA SOUTH DAKOTA
WYOMING	LOUISIANA

NOTE 2 - THE PROVISIONS OF THIS ITEM DO NOT APPLY FOR THE ACCOUNT OF C20850.

NOTE 3 - WHEN, BY REASON OF BRANCH OR DIVERGING ROUTES, THERE ARE MORE THAN ONE MORE-DISTANT POINTS FROM WHICH COMMODITY RATES ON THE ARTICLE TO THE CONSIDERED DESTINATION ARE PUBLISHED IN THIS TARIFF, APPLY THE RATE FROM THE MORE-DISTANT POINT WHICH, ON THAT ARTICLE TO THE SAME DESTINATION OVER THE SAME ROUTE, RESULTS IN THE LOWEST CHARGE.

(ITEM CONCLUDED ON PAGE 113 SERIES)

FOR EXPLANATION OF NOTES 4, 5, 6, 7, 8, 9, 10, 13 AND 14, SEE ITEM 577 ON PAGE 113 SERIES.

EXHIBIT 4.2

Item 577 Tariff RMB 302
Intermediate Points Rule

(2-5020-CE)

FOR EXPLANATION OF ABBREVIATIONS OR REFERENCE MARKS NOT EXPLAINED ON THIS PAGE, SEE LAST PAGE OF TARIFF.

ISSUED JUNE 13, 1974 EFFECTIVE JULY 18, 1974

CORRECTION 8312

ISSUED BY
EVERETT C. FUNK, GENERAL MANAGER
P.O. BOX 5746 TERMINAL ANNEX, DENVER, COLORADO 80217

RULES	ITEM
INTERMEDIATE POINTS (SUBJECT TO NOTES 1, 2 AND 13)	577 CONCLUDED

NOTE 4 - IF THE INTERMEDIATE POINT IS LOCATED BETWEEN TWO POINTS FROM WHICH COMMODITY RATES ON THE SAME ARTICLE ARE PUBLISHED IN THIS TARIFF TO THE SAME DESTINATION OVER THE SAME ROUTE, APPLY THAT ONE OF SUCH RATES WHICH RESULTS IN THE HIGHER CHARGE. IF, DUE TO BRANCH OR DIVERGING ROUTES, THERE ARE TWO OR MORE NEXT MORE-DISTANT POINTS IN THE SAME DIRECTION, ONLY THAT ONE OF SUCH POINTS FROM WHICH THE LOWEST CHARGE RESULTS WILL BE CONSIDERED IN APPLYING THE ABOVE PROVISIONS.

NOTE 5 - IF THE CLASS RATE ON THE SAME ARTICLE TO THE SAME DESTINATION OVER THE SAME ROUTE FROM THE INTERMEDIATE POINT PRODUCES A LOWER CHARGE THAN WOULD RESULT FROM APPLYING THE COMMODITY RATE FROM THE MORE-DISTANT POINT UNDER THIS RULE, SUCH COMMODITY RATE WILL NOT APPLY.

NOTE 6 - IF THERE IS IN ANY OTHER TARIFF A COMMODITY RATE (NOT MADE BY USE OF AN INTERMEDIATE POINT RULE) PUBLISHED FOR THE ACCOUNT OF THE SAME CARRIER OR CARRIERS ON THE SAME ARTICLE FROM THE CONSIDERED INTERMEDIATE POINT, APPLICABLE TO THE SAME DESTINATION OVER THE SAME ROUTE, THE PROVISIONS OF THIS RULE WILL NOT BE APPLIED FROM SUCH INTERMEDIATE POINT.

NOTE 7 - WHEN, BY REASON OF BRANCH OR DIVERGING ROUTES, THERE ARE MORE THAN ONE MORE-DISTANT POINTS TO WHICH COMMODITY RATES ON THE ARTICLE FROM THE CONSIDERED ORIGIN ARE PUBLISHED IN THIS TARIFF, APPLY THE RATE TO THE MORE-DISTANT POINT WHICH, ON THAT ARTICLE FROM THE SAME ORIGIN OVER THE SAME ROUTE, RESULTS IN THE LOWEST CHARGE.

NOTE 8 - IF THE INTERMEDIATE POINT IS LOCATED BETWEEN TWO POINTS TO WHICH COMMODITY RATES ON THE SAME ARTICLE ARE PUBLISHED IN THIS TARIFF FROM THE SAME ORIGIN OVER THE SAME ROUTE, APPLY THAT ONE OF SUCH RATES WHICH RESULTS IN THE HIGHER CHARGE. IF, DUE TO BRANCH OR DIVERGING ROUTES, THERE ARE TWO OR MORE NEXT MORE-DISTANT POINTS IN THE SAME DIRECTION, ONLY THAT ONE OF SUCH POINTS TO WHICH THE LOWEST CHARGE RESULTS WILL BE CONSIDERED IN APPLYING THE ABOVE PROVISIONS.

NOTE 9 - IF THE CLASS RATE ON THE SAME ARTICLE FROM THE SAME ORIGIN OVER THE SAME ROUTE TO THE INTERMEDIATE POINT PRODUCES A LOWER CHARGE THAN WOULD RESULT FROM APPLYING THE COMMODITY RATE TO THE NEXT MORE-DISTANT POINT UNDER THIS RULE, SUCH COMMODITY RATE WILL NOT APPLY.

NOTE 10 - IF THERE IS IN ANY OTHER TARIFF A COMMODITY RATE (NOT MADE BY USE OF AN INTERMEDIATE POINT RULE) PUBLISHED FOR THE ACCOUNT OF THE SAME CARRIER OR CARRIERS ON THE SAME ARTICLE TO THE CONSIDERED INTERMEDIATE POINT, APPLICABLE FROM THE SAME ORIGIN OVER THE SAME ROUTE, THE PROVISIONS OF THIS RULE WILL NOT BE APPLIED TO SUCH INTERMEDIATE POINT.

NOTE 12 - APROVISIONS ELIMINATED.

NOTE 13 - THE PROVISIONS OF THIS ITEM APPLY ONLY IN CONNECTION WITH REGULAR-ROUTE OPERATING AUTHORITY.

NOTE 14 - THE PROVISIONS OF PARAGRAPH (1) OR (2) OF THIS ITEM APPLY ONLY IN CONNECTION WITH RATES SUBJECT TO A MINIMUM WEIGHT OF 20,000 POUNDS OR MORE.

FOR EXPLANATION OF NOTES 1 AND 2, SEE ITEM 577 ON PAGE 112 SERIES.

1ST REVISED PAGE 69 ROCKY MOUNTAIN MOTOR TARIFF BUREAU, INC., AGENT 1ST REVISED PAGE 6

SECTION 1

RULES	ITEM
HOLIDAYS	569
▲PROVISIONS ELIMINATED. ACCOUNT NO APPLICATION.	
INTERMEDIATE POINTS	577

(1) VOLUME COMMODITY RATES APPLICABLE FROM INTERMEDIATE POINTS (SUBJECT TO EXCEPTIONS 1, 2, 3, 4, 5, 6 AND 7)

WHEN ANY POINT OF ORIGIN IS NOT PROVIDED IN THIS TARIFF WITH A VOLUME COMMODITY RATE ON A GIVEN ARTICLE TO A PARTICULAR DESTINATION OVER A PARTICULAR ROUTE, AND SUCH ORIGIN IS BETWEEN THE CONSIDERED DESTINATION AND A POINT FROM WHICH A VOLUME COMMODITY RATE ON THE ARTICLE IS PUBLISHED IN THIS TARIFF OVER THE SAME ROUTE TO SUCH DESTINATION, APPLY ON SUCH ARTICLE THE VOLUME COMMODITY RATE FROM THE NEXT MORE-DISTANT POINT FROM WHICH A VOLUME COMMODITY RATE IS NAMED THEREON OVER THE CONSIDERED ROUTE THROUGH THE INTERMEDIATE POINT, EXCEPT AS PROVIDED IN NOTES 1, 2, 3 AND 4.

(2) VOLUME COMMODITY RATES APPLICABLE TO INTERMEDIATE POINTS (SUBJECT TO EXCEPTIONS 1, 3, 4, 5, 6 AND 7)

WHEN ANY POINT OF DESTINATION IS NOT PROVIDED IN THIS TARIFF WITH A VOLUME COMMODITY RATE ON A GIVEN ARTICLE FROM A PARTICULAR ORIGIN OVER A PARTICULAR ROUTE, AND SUCH DESTINATION IS BETWEEN THE CONSIDERED ORIGIN AND A POINT TO WHICH A VOLUME COMMODITY RATE ON THE ARTICLE IS PUBLISHED IN THIS TARIFF OVER THE SAME ROUTE FROM SUCH ORIGIN, APPLY ON SUCH ARTICLE THE VOLUME COMMODITY RATE TO THE NEXT MORE-DISTANT POINT TO WHICH A VOLUME COMMODITY RATE IS NAMED THEREON OVER THE CONSIDERED ROUTE THROUGH THE INTERMEDIATE POINT, EXCEPT AS PROVIDED IN NOTES 5, 6, 7 AND 8.

(3) CLASS RATES FROM AND TO INTERMEDIATE POINTS (SUBJECT TO EXCEPTIONS 1, 2, 3, 4, 5, 6 AND 7)

FROM OR TO ANY POINT NOT PUBLISHED IN THIS TARIFF WHICH IS INTERMEDIATE TO A POINT FROM OR TO WHICH CLASS RATES ARE PUBLISHED IN THIS TARIFF THROUGH SUCH UNNAMED POINT, THE CLASS RATE PUBLISHED IN THIS TARIFF OVER THE SAME ROUTE FROM OR TO THE NEXT MORE-DISTANT POINT WILL BE APPLIED.
CLASS RATES DETERMINED BY THIS RULE APPLY ONLY ON SHIPMENTS WHICH WEIGH 500 POUNDS OR MORE, OR ON SHIPMENTS ON WHICH CHARGES ARE ASSESSED ON THE BASIS OF 500 POUNDS OR MORE.

NOTE 1 - WHEN, BY REASON OF BRANCH OR DIVERGING ROUTES, THERE ARE MORE THAN ONE MORE-DISTANT POINTS FROM WHICH VOLUME COMMODITY RATES ON THE ARTICLE TO THE CONSIDERED DESTINATION ARE PUBLISHED IN THIS TARIFF, APPLY THE RATE FROM THE MORE-DISTANT POINT WHICH, ON THAT ARTICLE TO THE SAME DESTINATION OVER THE SAME ROUTE, RESULTS IN THE LOWEST CHARGE.

NOTE 2 - IF THE INTERMEDIATE POINT IS LOCATED BETWEEN TWO POINTS FROM WHICH VOLUME COMMODITY RATES ON THE SAME ARTICLE ARE PUBLISHED IN THIS TARIFF TO THE SAME DESTINATION OVER THE SAME ROUTE, APPLY THAT ONE OF SUCH RATES WHICH RESULTS IN THE HIGHER CHARGE. IF, DUE TO BRANCH OR DIVERGING ROUTES, THERE ARE TWO OR MORE NEXT MORE-DISTANT POINTS IN THE SAME DIRECTION, ONLY THAT ONE OF SUCH POINTS FROM WHICH THE LOWEST CHARGE RESULTS WILL BE CONSIDERED IN APPLYING THE PROVISIONS OF THIS NOTE.

NOTE 3 - IF THE CLASS RATE ON THE SAME ARTICLE TO THE SAME DESTINATION OVER THE SAME ROUTE FROM THE INTERMEDIATE POINT PRODUCES A LOWER CHARGE THAN WOULD RESULT FROM APPLYING THE VOLUME COMMODITY RATE UNDER THIS RULE, SUCH VOLUME COMMODITY RATE WILL NOT APPLY.

NOTE 4 - IF THERE IS IN ANY OTHER TARIFF A VOLUME COMMODITY RATE (NOT MADE BY USE OF AN INTERMEDIATE POINT RULE) PUBLISHED FOR THE ACCOUNT OF THE SAME CARRIER OR CARRIERS ON THE SAME ARTICLE FROM THE CONSIDERED INTERMEDIATE POINT, APPLICABLE TO THE SAME DESTINATION OVER THE SAME ROUTE, THE PROVISIONS OF THIS RULE WILL NOT BE APPLIED FROM SUCH INTERMEDIATE POINT.

NOTE 5 - WHEN, BY REASON OF BRANCH OR DIVERGING ROUTES, THERE ARE MORE THAN ONE MORE-DISTANT POINTS TO WHICH VOLUME COMMODITY RATES ON THE ARTICLE FROM THE CONSIDERED ORIGIN ARE PUBLISHED IN THIS TARIFF, APPLY THE RATE TO THE MORE-DISTANT POINT WHICH, ON THAT ARTICLE FROM THE SAME ORIGIN OVER THE SAME ROUTE, RESULTS IN THE LOWEST CHARGE.

(ITEM CONCLUDED ON PAGE 70 SERIES)

EXHIBIT 4.3

Item 577 Tariff RMB 304A
Intermediate Points Rule

FOR EXPLANATION OF ABBREVIATIONS OR REFERENCE MARKS NOT EXPLAINED ON THIS PAGE, SEE LAST PAGE OF TARIFF. (304-590)

ISSUED APRIL 12, 1974 EFFECTIVE MAY 25, 1974

CORRECTION 619

ISSUED BY
EVERETT C. FUNK, GENERAL MANAGER
P.O. BOX 5746 TERMINAL ANNEX, DENVER, COLORADO 80217

RULES	ITEM
INTERMEDIATE POINTS	577 CONCLUDED

NOTE 6 - IF THE INTERMEDIATE POINT IS LOCATED BETWEEN TWO POINTS TO WHICH VOLUME COMMODITY RATES ON THE SAME ARTICLE ARE PUBLISHED IN THIS TARIFF FROM THE SAME ORIGIN OVER THE SAME ROUTE, APPLY THAT ONE OF SUCH RATES WHICH RESULTS IN THE HIGHER CHARGE. IF, DUE TO BRANCH OR DIVERGING ROUTES, THERE ARE TWO OR MORE NEXT MORE-DISTANT POINTS IN THE SAME DIRECTION, ONLY THAT ONE OF SUCH POINTS TO WHICH THE LOWEST CHARGE RESULTS WILL BE CONSIDERED IN APPLYING THE PROVISION OF THIS NOTE.

NOTE 7 - IF THE CLASS RATE ON THE SAME ARTICLE FROM THE SAME ORIGIN OVER THE SAME ROUTE TO THE INTERMEDIATE POINT PRODUCES A LOWER CHARGE THAN WOULD RESULT FROM APPLYING THE VOLUME COMMODITY RATE UNDER THIS RULE, SUCH VOLUME COMMODITY RATE WILL NOT APPLY.

NOTE 8 - IF THERE IS IN ANY OTHER TARIFF A VOLUME COMMODITY RATE (NOT MADE BY USE OF AN INTERMEDIATE POINT RULE) PUBLISHED FOR THE ACCOUNT OF THE SAME CARRIER OR CARRIERS ON THE SAME ARTICLE TO THE CONSIDERED INTERMEDIATE POINT, APPLICABLE FROM THE SAME ORIGIN OVER THE SAME ROUTE, THE PROVISIONS OF THIS RULE WILL NOT BE APPLIED TO SUCH INTERMEDIATE POINT.

EXCEPTION 1 - THE PROVISIONS IN THIS ITEM DO NOT APPLY FOR ESTABLISHING RATES ON TRAFFIC MOVING FROM OR TO THE POINTS OF DIXON, SAVERY OR BAGGS, WY, OR SLATER, CO.

EXCEPTION 2 - EXCEPT AS OTHERWISE PROVIDED IN THE ITEMS SHOWN BELOW, THE PROVISIONS OF THIS ITEM DO NOT APPLY AS A BASIS FOR DETERMINING RATES BETWEEN POINTS IN MONTANA (EXCEPT THOSE POINTS INCLUDED IN THE BILLINGS, BRIDGER, CROW AGENCY, FROMBERG, HARDIN AND LAUREL, MT, CLASS RATE GROUPS), ON THE ONE HAND, AND, ON THE OTHER, POINTS IN WYOMING.

THE PROVISIONS OF THIS EXCEPTION DO NOT APPLY IN CONNECTION WITH THE FOLLOWING ITEMS:

3700 3750 4850 7300

EXCEPTION 3 - THE PROVISIONS OF THIS ITEM DO NOT APPLY AS A BASIS FOR DETERMINING RATES FROM OR TO POINTS IN THE STATES OF IDAHO OR UTAH.

EXCEPTION 4 - THE PROVISIONS OF THIS ITEM DO NOT APPLY FOR THE ESTABLISHMENT OF RATES FROM OR TO POINTS IN COLORADO LOCATED WEST OF US HIGHWAY 287 FROM FORT COLLINS TO DENVER AND LOCATED WEST OF US HIGHWAY 87 FROM DENVER, TO THE COLORADO-NEW MEXICO STATE LINE, EXCEPT THOSE POINTS LOCATED IN THE DENVER, CO COMMERCIAL ZONE.

EXCEPTION 5 - THE PROVISIONS OF THIS ITEM APPLY ONLY IN CONNECTION WITH REGULAR-ROUTE OPERATING AUTHORITY.

EXCEPTION 6 - THE PROVISIONS OF THIS ITEM DO NOT APPLY FOR THE ESTABLISHMENT OF RATES FROM OR TO POINTS DESCRIBED IN COLUMN A BELOW, BY INTERMEDIATE APPLICATION OF RATES PUBLISHED FROM OR TO POINTS DESCRIBED IN COLUMN B BELOW:

COLUMN A	COLUMN B
POINTS IN WYOMING LOCATED ON US HIGHWAY 87 SOUTH OF DWYER JUNCTION, WY	POINTS IN WYOMING AND NEBRASKA LOCATED ON US HIGHWAY 26 EAST OF DWYER JUNCTION, WY.
POINTS IN WYOMING LOCATED ON US HIGHWAY 26 BETWEEN DWYER JUNCTION, WY, AND TORRINGTON, WY.	POINTS IN WYOMING AND NEBRASKA LOCATED ON US HIGHWAY 26 EAST OF DWYER JUNCTION, WY.
POINTS IN WYOMING LOCATED ON US HIGHWAY 26 BETWEEN DWYER JUNCTION, WY, AND TORRINGTON, WY.	POINTS IN WYOMING LOCATED ON US HIGHWAY 87.

EXCEPTION 7 - THE PROVISIONS OF THIS ITEM DO NOT APPLY FOR THE ESTABLISHMENT OF RATES FROM OR TO CHEYENNE, WY, IN CONNECTION WITH RATES PUBLISHED IN THIS TARIFF BETWEEN POINTS IN COLORADO ON THE ONE HAND, AND, ON THE OTHER, POINTS LOCATED ON US HIGHWAY 30 BETWEEN LARAMIE AND RAWLINS, WY, INCLUDING BOTH LARAMIE AND RAWLINS.

RULES ITEM

577

INTERMEDIATE POINTS
(SUBJECT TO NOTE 1)

(1) VOLUME COMMODITY RATES APPLICABLE FROM INTERMEDIATE POINTS (SUBJECT TO NOTE 2)

WHEN ANY POINT OF ORIGIN IS NOT PROVIDED IN THIS TARIFF WITH A VOLUME COMMODITY RATE ON A GIVEN ARTICLE TO A PARTICULAR DESTINATION OVER A PARTICULAR ROUTE, AND SUCH ORIGIN IS BETWEEN THE CONSIDERED DESTINATION AND A POINT FROM WHICH A VOLUME COMMODITY RATE ON THE ARTICLE IS PUBLISHED IN THIS TARIFF OVER THE SAME ROUTE TO SUCH DESTINATION, APPLY ON SUCH ARTICLE THE VOLUME COMMODITY RATE FROM THE NEXT MORE-DISTANT POINT FROM WHICH A VOLUME COMMODITY RATE IS NAMED THEREON OVER THE CONSIDERED ROUTE THROUGH THE INTERMEDIATE POINT, EXCEPT AS PROVIDED IN NOTES 3, 4, 5 AND 6.

(2) VOLUME COMMODITY RATES APPLICABLE TO INTERMEDIATE POINTS (SUBJECT TO NOTE 2)

WHEN ANY POINT OF DESTINATION IS NOT PROVIDED IN THIS TARIFF WITH A VOLUME COMMODITY RATE ON A GIVEN ARTICLE FROM A PARTICULAR ORIGIN OVER A PARTICULAR ROUTE, AND SUCH DESTINATION IS BETWEEN THE CONSIDERED ORIGIN AND A POINT TO WHICH A VOLUME COMMODITY RATE ON THE ARTICLE IS PUBLISHED IN THIS TARIFF OVER THE SAME ROUTE FROM SUCH ORIGIN, APPLY ON SUCH ARTICLE THE VOLUME COMMODITY RATE TO THE NEXT MORE-DISTANT POINT TO WHICH A VOLUME COMMODITY RATE IS NAMED THEREON OVER THE CONSIDERED ROUTE THROUGH THE INTERMEDIATE POINT, EXCEPT AS PROVIDED IN NOTES 7, 8, 9 AND 10.

① (3) CLASS RATES FROM AND TO UNNAMED POINTS (SUBJECT TO EXCEPTION 1)

DEFINITIONS

(A) THE TERM "HIGHWAY" MEANS THE ROADS, HIGHWAYS, STREETS AND WAYS IN ANY STATE.
(B) "POINT" MEANS A PARTICULAR CITY, TOWN, VILLAGE, COMMUNITY OR OTHER AREA WHICH IS TREATED AS A UNIT FOR THE APPLICATION OF RATES.
(C) AN "UNNAMED" POINT IS ONE FROM OR TO WHICH CLASS RATES ARE NOT PROVIDED OTHER THAN BY USE OF THIS RULE.
(D) A "NAMED" POINT IS ONE FROM OR TO WHICH CLASS RATES ARE PROVIDED IN THIS TARIFF, OTHER THAN BY USE OF THIS RULE.

RATES FROM OR TO UNNAMED POINTS LOCATED ON HIGHWAYS BETWEEN NAMED POINTS

(A) UNNAMED ORIGIN POINTS:
FROM ANY UNNAMED ORIGIN POINT, WHICH IS LOCATED ON A HIGHWAY BETWEEN TWO NAMED POINTS DETERMINED BY PARAGRAPHS (C) AND (D) BELOW, APPLY THE HIGHER OF THE CLASS RATES PROVIDED FROM SUCH NAMED POINTS.
(B) UNNAMED DESTINATION POINTS:
TO ANY UNNAMED DESTINATION POINT, WHICH IS LOCATED ON A HIGHWAY BETWEEN TWO NAMED POINTS DETERMINED BY PARAGRAPHS (C) AND (D) BELOW, APPLY THE HIGHER OF THE CLASS RATES PROVIDED TO SUCH NAMED POINTS.
(C) IN EACH CASE, THE NAMED POINT REFERRED TO IN PARAGRAPHS (A) AND (B) IMMEDIATELY ABOVE, MUST BE THE NEAREST NAMED POINT ON A HIGHWAY (OR HIGHWAYS) LEADING THERETO FROM THE UNNAMED POINT.
(D) WHEN BY REASON OF BRANCH OR DIVERGING HIGHWAYS, THERE ARE TWO OR MORE NEAREST NAMED POINTS EQUIDISTANT FROM THE UNNAMED POINT, THE HIGHEST RATED OF THE NEAREST NAMED POINTS WILL BE USED.

NON APPLICATION

(A) THIS RULE DOES NOT AUTHORIZE A CARRIER TO HANDLE SHIPMENTS FROM OR TO POINTS OR VIA ROUTES NOT WITHIN THE SCOPE OF ITS OPERATING AUTHORITY.
(B) IF THERE IS, IN ANY OTHER TARIFF, A CLASS RATE PUBLISHED SPECIFICALLY TO OR FROM THE UNNAMED POINT, FOR ACCOUNT OF THE SAME CARRIER OR CARRIERS, OVER THE SAME ROUTE, THIS RULE WILL NOT APPLY.
(C) THIS RULE DOES NOT AUTHORIZE THE ESTABLISHMENT OF CLASS RATES FROM OR TO UNNAMED POINTS NOT LOCATED BETWEEN NAMED POINTS.

EXCEPTION 1 - CLASS RATES DETERMINED BY THIS RULE APPLY ONLY ON SHIPMENTS WHICH WEIGH 500 POUNDS OR MORE, OR ON SHIPMENTS ON WHICH CHARGES ARE ASSESSED ON THE BASIS OF 500 POUNDS OR MORE.

(ITEM CONCLUDED ON PAGE 53 SERIES)

① - RULES 3(D), 4(A), 4(H), 5, AND 12 OF TARIFF CIRCULAR MF NO. 3 WAIVED; ICC PERMISSION NO. 28469-M.

EXHIBIT 4.4
Item 577 Tariff RMB 319A
Intermediate Points Rule

FOR EXPLANATION OF ABBREVIATIONS OR REFERENCE MARKS NOT EXPLAINED ON THIS PAGE, SEE LAST PAGE OF TARIFF.

ISSUED JULY 26, 1974 EFFECTIVE SEPTEMBER 9, 1974

CORRECTION 96 CF2

ISSUED BY
Z. L. FEARSON, JR., GENERAL MANAGER
P.O. BOX 5746 TERMINAL ANNEX, DENVER, COLORADO 80217

RULES ITEM

INTERMEDIATE POINTS
(SUBJECT TO NOTE 1)

577 CONCLUDED

NOTE 1 - IN APPLYING THE PROVISIONS OF THIS ITEM, POINTS IN COLORADO AND NEW MEXICO LOCATED WEST OF US HIGHWAY 85 WILL NOT BE CONSIDERED AS INTERMEDIATE BETWEEN POINTS IN COLORADO LOCATED ON AND EAST OF US HIGHWAY 85, ON THE ONE HAND, AND POINTS IN NEW MEXICO AND TEXAS LOCATED ON AND EAST OF US HIGHWAY 85, ON THE OTHER.

NOTE 2 - THE PROVISIONS OF THIS ITEM APPLY ONLY IN CONNECTION WITH REGULAR-ROUTE OPERATING AUTHORITY.

NOTE 3 - WHEN, BY REASON OF BRANCH OR DIVERGING ROUTES, THERE ARE MORE THAN ONE MORE-DISTANT POINTS FROM WHICH COMMODITY RATES ON THE ARTICLE TO THE CONSIDERED DESTINATION ARE PUBLISHED IN THIS TARIFF, APPLY THE RATE FROM THE MORE-DISTANT POINT WHICH, ON THAT ARTICLE TO THE SAME DESTINATION OVER THE SAME ROUTE, RESULTS IN THE LOWEST CHARGE.

NOTE 4 - IF THE INTERMEDIATE POINT IS LOCATED BETWEEN TWO POINTS FROM WHICH COMMODITY RATES ON THE SAME ARTICLE ARE PUBLISHED IN THIS TARIFF TO THE SAME DESTINATION OVER THE SAME ROUTE, APPLY THAT ONE OF SUCH RATES WHICH RESULTS IN THE HIGHER CHARGE. IF, DUE TO BRANCH OR DIVERGING ROUTES, THERE ARE TWO OR MORE NEXT MORE-DISTANT POINTS IN THE SAME DIRECTION, ONLY THAT ONE OF SUCH POINTS FROM WHICH THE LOWEST CHARGE RESULTS WILL BE CONSIDERED IN APPLYING THE ABOVE PROVISIONS.

NOTE 5 - IF THE CLASS RATE ON THE SAME ARTICLE TO THE SAME DESTINATION OVER THE SAME ROUTE FROM THE INTERMEDIATE POINT PRODUCES A LOWER CHARGE THAN WOULD RESULT FROM APPLYING THE COMMODITY RATE FROM THE MORE-DISTANT POINT UNDER THIS RULE, SUCH COMMODITY RATE WILL NOT APPLY.

NOTE 6 - IF THERE IS IN ANY OTHER TARIFF A COMMODITY RATE (NOT MADE BY USE OF AN INTERMEDIATE POINT RULE) PUBLISHED FOR THE ACCOUNT OF THE SAME CARRIER OR CARRIERS ON THE SAME ARTICLE FROM THE CONSIDERED INTERMEDIATE POINT, APPLICABLE TO THE SAME DESTINATION OVER THE SAME ROUTE, THE PROVISIONS OF THIS RULE WILL NOT BE APPLIED FROM SUCH INTERMEDIATE POINT.

NOTE 7 - WHEN BY REASON OF BRANCH OR DIVERGING ROUTES, THERE ARE MORE THAN ONE MORE-DISTANT POINTS TO WHICH COMMODITY RATES ON THE ARTICLE FROM THE CONSIDERED ORIGIN ARE PUBLISHED IN THIS TARIFF, APPLY THE RATE TO THE MORE-DISTANT POINT WHICH, ON THAT ARTICLE FROM THE SAME ORIGIN OVER THE SAME ROUTE, RESULTS IN THE LOWEST CHARGE.

NOTE 8 - IF THE INTERMEDIATE POINT IS LOCATED BETWEEN TWO POINTS TO WHICH COMMODITY RATES ON THE SAME ARTICLE ARE PUBLISHED IN THIS TARIFF FROM THE SAME ORIGIN OVER THE SAME ROUTE, APPLY THAT ONE OF SUCH RATES WHICH RESULTS IN THE HIGHER CHARGE. IF, DUE TO BRANCH OR DIVERGING ROUTES, THERE ARE TWO OR MORE NEXT MORE-DISTANT POINTS IN THE SAME DIRECTION, ONLY THAT ONE OF SUCH POINTS TO WHICH THE LOWEST CHARGE RESULTS WILL BE CONSIDERED IN APPLYING THE ABOVE PROVISIONS.

NOTE 9 - IF THE CLASS RATE ON THE SAME ARTICLE FROM THE SAME ORIGIN OVER THE SAME ROUTE TO THE INTERMEDIATE POINT PRODUCES A LOWER CHARGE THAN WOULD RESULT FROM APPLYING THE COMMODITY RATE TO THE NEXT MORE-DISTANT POINT UNDER THIS RULE, SUCH COMMODITY RATE WILL NOT APPLY.

NOTE 10 - IF THERE IS IN ANY OTHER TARIFF A COMMODITY RATE (NOT MADE BY USE OF AN INTERMEDIATE POINT RULE) PUBLISHED FOR THE ACCOUNT OF THE SAME CARRIER OR CARRIERS ON THE SAME ARTICLE TO THE CONSIDERED INTERMEDIATE POINT, APPLICABLE FROM THE SAME ORIGIN OVER THE SAME ROUTE, THE PROVISIONS OF THIS RULE WILL NOT BE APPLIED TO SUCH INTEPMEDIATE POINT.

FOR EXPLANATION OF ABBREVIATIONS OR REFERENCE MARKS NOT EXPLAINED ON THIS PAGE, SEE LAST PAGE OF TARIFF.

577

INTERMEDIATE POINTS

(1) VOLUME COMMODITY RATES APPLICABLE FROM INTERMEDIATE POINTS (SUBJECT TO EXCEPTIONS 1 THRU 33)

WHEN ANY POINT OF ORIGIN IS NOT PROVIDED IN THIS TARIFF WITH A VOLUME COMMODITY RATE ON A GIVEN ARTICLE TO A PARTICULAR DESTINATION OVER A PARTICULAR ROUTE, AND SUCH ORIGIN IS BETWEEN THE CONSIDERED DESTINATION AND A POINT FROM WHICH A VOLUME COMMODITY RATE ON THE ARTICLE IS PUBLISHED IN THIS TARIFF OVER THE SAME ROUTE TO SUCH DESTINATION, APPLY ON SUCH ARTICLE THE VOLUME COMMODITY RATE FROM THE NEXT MORE-DISTANT POINT FROM WHICH A VOLUME COMMODITY RATE IS NAMED THEREON OVER THE CONSIDERED ROUTE THROUGH THE INTERMEDIATE POINT, EXCEPT AS PROVIDED IN NOTES 1, 2, 3, 4 AND 9.

(2) VOLUME COMMODITY RATES APPLICABLE TO INTERMEDIATE POINTS (SUBJECT TO EXCEPTIONS 1 THRU 33)

WHEN ANY POINT OF DESTINATION IS NOT PROVIDED IN THIS TARIFF WITH A VOLUME COMMODITY RATE ON A GIVEN ARTICLE FROM A PARTICULAR ORIGIN OVER A PARTICULAR ROUTE, AND SUCH DESTINATION IS BETWEEN THE CONSIDERED ORIGIN AND A POINT TO WHICH A VOLUME COMMODITY RATE ON THE ARTICLE IS PUBLISHED IN THIS TARIFF OVER THE SAME ROUTE FROM SUCH ORIGIN, APPLY ON SUCH ARTICLE THE VOLUME COMMODITY RATE TO THE NEXT MORE-DISTANT POINT TO WHICH A VOLUME COMMODITY RATE IS NAMED THEREON OVER THE CONSIDERED ROUTE THROUGH THE INTERMEDIATE POINT, EXCEPT AS PROVIDED IN NOTES 5, 6, 7, 8 AND 9.

(3) CLASS RATES FROM AND TO INTERMEDIATE POINTS (SUBJECT TO EXCEPTIONS 1 THRU 33)

FROM OR TO ANY POINT FOR WHICH CLASS RATES ARE NOT PUBLISHED IN THE CLASS RATE SECTION OF THIS TARIFF WHICH IS INTERMEDIATE TO A POINT FROM OR TO WHICH CLASS RATES ARE PUBLISHED IN THIS TARIFF THROUGH SUCH UNNAMED POINT, APPLY FROM OR TO SUCH UNNAMED POINT THE CLASS RATE PUBLISHED IN THIS TARIFF FROM OR TO THE NEXT MORE DISTANT POINT.

CLASS RATES DETERMINED BY THIS RULE APPLY ONLY ON SHIPMENTS WHICH WEIGH 1,000 POUNDS OR MORE, OR ON SHIPMENTS ON WHICH CHARGES ARE ASSESSED ON THE BASIS OF 1,000 POUNDS OR MORE.

NOTE 1 - WHEN, BY REASON OF BRANCH OR DIVERGING ROUTES, THERE ARE MORE THAN ONE MORE-DISTANT POINTS FROM WHICH VOLUME COMMODITY RATES ON THE ARTICLE TO THE CONSIDERED DESTINATION ARE PUBLISHED IN THIS TARIFF, APPLY THE RATE FROM THE MORE-DISTANT POINT WHICH, ON THAT ARTICLE TO THE SAME DESTINATION OVER THE SAME ROUTE, RESULTS IN THE LOWEST CHARGE.

NOTE 2 - IF THE INTERMEDIATE POINT IS LOCATED BETWEEN TWO POINTS FROM WHICH VOLUME COMMODITY RATES ON THE SAME ARTICLE ARE PUBLISHED IN THIS TARIFF TO THE SAME DESTINATION OVER THE SAME ROUTE, APPLY THAT ONE OF SUCH RATES WHICH RESULTS IN THE HIGHER CHARGE. IF, DUE TO BRANCH OR DIVERGING ROUTES, THERE ARE TWO OR MORE NEXT MORE-DISTANT POINTS IN THE SAME DIRECTION, ONLY THAT ONE OF SUCH POINTS FROM WHICH THE LOWEST CHARGE RESULTS WILL BE CONSIDERED IN APPLYING THE PROVISIONS OF THIS NOTE.

NOTE 3 - IF THE CLASS RATE ON THE SAME ARTICLE TO THE SAME DESTINATION OVER THE SAME ROUTE FROM THE INTERMEDIATE POINT PRODUCES A LOWER CHARGE THAN WOULD RESULT FROM APPLYING THE VOLUME COMMODITY RATE UNDER THIS RULE, SUCH VOLUME COMMODITY RATE WILL NOT APPLY.

NOTE 4 - IF THERE IS IN ANY OTHER TARIFF A VOLUME COMMODITY RATE (NOT MADE BY USE OF AN INTERMEDIATE POINT RULE) PUBLISHED FOR THE ACCOUNT OF THE SAME CARRIER OR CARRIERS ON THE SAME ARTICLE FROM THE CONSIDERED INTERMEDIATE POINT, APPLICABLE TO THE SAME DESTINATION OVER THE SAME ROUTE, THE PROVISIONS OF THIS RULE WILL NOT BE APPLIED FROM SUCH INTERMEDIATE POINT.

NOTE 5 - WHEN, BY REASON OF BRANCH OR DIVERGING ROUTES, THERE ARE MORE THAN ONE MORE-DISTANT POINTS TO WHICH VOLUME COMMODITY RATES ON THE ARTICLE FROM THE CONSIDERED ORIGIN ARE PUBLISHED IN THIS TARIFF, APPLY THE RATE TO THE MORE-DISTANT POINT WHICH, ON THAT ARTICLE FROM THE SAME ORIGIN OVER THE SAME ROUTE, RESULTS IN THE LOWEST CHARGE.

NOTE 6 - IF THE INTERMEDIATE POINT IS LOCATED BETWEEN TWO POINTS TO WHICH VOLUME COMMODITY RATES ON THE SAME ARTICLE ARE PUBLISHED IN THIS TARIFF FROM THE SAME ORIGIN OVER THE SAME ROUTE, APPLY THAT ONE OF SUCH RATES WHICH RESULTS IN THE HIGHER CHARGE. IF, DUE TO BRANCH OR DIVERGING ROUTES, THERE ARE TWO OR MORE NEXT MORE-DISTANT POINTS IN THE SAME DIRECTION, ONLY THAT ONE OF SUCH POINTS TO WHICH THE LOWEST CHARGE RESULTS WILL BE CONSIDERED IN APPLYING THE PROVISIONS OF THIS NOTE.

NOTE 7 - IF THE CLASS RATE ON THE SAME ARTICLE FROM THE SAME ORIGIN OVER THE SAME ROUTE TO THE INTERMEDIATE POINT PRODUCES A LOWER CHARGE THAN WOULD RESULT FROM APPLYING THE VOLUME COMMODITY RATE UNDER THIS RULE, SUCH VOLUME COMMODITY RATE WILL NOT APPLY.

(ITEM CONTINUED ON PAGE 102 SERIES)

EXHIBIT 4.5
Item 577 Tariff RMB 330A
Intermediate Points Rule

RULES ITEM

INTERMEDIATE POINTS 577 CONTINUED

NOTE 8 - IF THERE IS IN ANY OTHER TARIFF A VOLUME COMMODITY RATE (NOT MADE BY USE OF AN INTERMEDIATE POINT RULE) PUBLISHED FOR THE ACCOUNT OF THE SAME CARRIER OR CARRIERS ON THE SAME ARTICLE TO THE CONSIDERED INTERMEDIATE POINT, APPLICABLE FROM THE SAME ORIGIN OVER THE SAME ROUTE, THE PROVISIONS OF THIS RULE WILL NOT BE APPLIED TO SUCH INTERMEDIATE POINT.

NOTE 9 - THE PROVISIONS REFERRING HERETO APPLY ONLY IN CONNECTION WITH RATES SUBJECT TO A MINIMUM WEIGHT OF 10,000 POUNDS OR MORE.

EXCEPTION 1 - EXCEPT AS PROVIDED IN EXCEPTION 3, THE PROVISIONS OF THIS ITEM WILL NOT APPLY FOR THE ESTABLISHMENT OF RATES ON TRAFFIC MOVING FROM OR TO POINTS WITHIN THE FOLLOWING DESCRIBED TERRITORY IN CALIFORNIA, WHEN THE RATE TO BE APPLIED IS THAT APPLICABLE FROM OR TO A POINT INCLUDED IN THE BARSTOW, LOS ANGELES, SAN DIEGO OR SAN FRANCISCO, CA CLASS RATE GROUPS; ALSO IN THE LIVERMORE, LOS ANGELES, SAN DIEGO AND SAN FRANCISCO, CA COMMODITY RATE GROUPS OR A POINT IN CALIFORNIA LISTED IN ITEM 1100.

COMMENCING AT THE JUNCTION OF THE CALIFORNIA-NEVADA STATE LINE AND A POINT TWO MILES NORTHWEST OF US 91; THENCE ALONG A LINE DRAWN TWO MILES NORTH OR WEST OF US HIGHWAY 91 TO THE SOUTHERN BOUNDRY OF THE SAN BERNARDINO NATIONAL FOREST NEAR DEVORE, CA; THENCE ALONG THE SOUTHERN BOUNDARY OF THE SAN BERNARDINO NATIONAL FOREST AND THE ANGELES NATIONAL FOREST TO THE LOS ANGELES CITY LIMITS NEAR TUJUNGA, CA; THENCE ALONG THE EASTERN, NORTHERN AND WESTERN BOUNDARIES OF LOS ANGELES TO THE PACIFIC COAST; THENCE ALONG THE PACIFIC COAST TO A POINT FIVE MILES SOUTH OF SAN FRANCISCO; THENCE EAST TO A POINT TWO MILES WEST OF US HIGHWAY 101; THENCE SOUTH ALONG A LINE DRAWN TWO MILES WEST OF US HIGHWAY 101 TO THE SAN JOSE CITY LIMITS; THENCE ALONG THE WESTERN, SOUTHERN AND EASTERN BOUNDRIES OF SAN JOSE TO THE INTERSECTION OF CALIFORNIA STATE HIGHWAY 17; THENCE NORTHEAST ALONG A LINE TO THE SOUTHERN CITY LIMITS OF LIVERMORE, CA; THENCE ALONG THE SOUTHERN CITY LIMITS OF LIVERMORE TO A POINT TWO MILES SOUTH OF US HIGHWAY 50; THENCE ALONG A LINE DRAWN TWO MILES SOUTH OF US HIGHWAY 50 TO THE CALIFORNIA-NEVADA STATE LINE; THENCE ALONG THE CALIFORNIA-NEVADA STATE LINE TO POINT OF COMMENCEMENT.

EXCEPTION 2 - THE PROVISIONS OF THIS ITEM WILL NOT APPLY IN CONNECTION WITH ARBITRARY RATES PUBLISHED IN THIS TARIFF.

EXCEPTION 3 - THE PROVISIONS OF EXCEPTION 1 OF THIS ITEM WILL NOT APPLY ON TRAFFIC ORIGINATING AT POINTS IN MONTANA UNDER RATES PUBLISHED IN SECTION 7 OF THIS TARIFF.

EXCEPTION 4 - THE PROVISIONS OF THIS ITEM WILL NOT APPLY FOR THE ESTABLISHMENT OF RATES PUBLISHED FROM OR TO MONTANA POINTS AT COLORADO POINTS.

EXCEPTION 5 - THE PROVISIONS OF THIS ITEM WILL NOT APPLY OVER CARRIERS' IRREGULAR ROUTES.

(ITEM CONTINUED ON PAGE 103 SERIES)

FOR EXPLANATION OF ABBREVIATIONS OR REFERENCE MARKS NOT EXPLAINED ON THIS PAGE, SEE LAST PAGE OF TARIFF.

ISSUED September 13, 1974 EFFECTIVE October 28, 1974

ISSUED BY
Z. L. PEARSON, JR., GENERAL MANAGER
P.O. BOX 5746 TERMINAL ANNEX, DENVER, COLORADO 80217

TARIFF ICC RMB 330 A

TARIFF ICC RMB 330-A

1ST REVISED PAGE 103 — ROCKY MOUNTAIN MOTOR TARIFF BUREAU, INC., AGENT — 1ST REVISED PAGE 103

577 — SECTION 1 — EXHIBIT 4.5, p. 3 — 577

RULES	ITEM
INTERMEDIATE POINTS	577 CONTINUED

EXCEPTION 6 - POINTS LOCATED IN MARIN COUNTY, CA WILL NOT BE CONSIDERED INTERMEDIATE FROM OR TO POINTS SOUTH OR EAST THEREOF.

AEXCEPTION 7 - THE PROVISIONS OF THIS ITEM WILL NOT APPLY FOR THE ESTABLISHMENT OF RATES FROM OR TO POINTS LOCATED ON:
US HIGHWAY 89 FROM THISTLE, UT TO THE UTAH-ARIZONA STATE LINE, INCLUSIVE;
UTAH HIGHWAY 15 FROM VIRGIN, UT TO MT. CARMEL JUNCTION, UT, INCLUSIVE;
UTAH HIGHWAY 59 FROM HURRICANE, UT TO JUNCTION WITH UTAH HIGHWAY 15;
UTAH HIGHWAY 13 FROM COVE FORT, UT, TO JUNCTION WITH US HIGHWAY 89.

EXCEPTION 8 - THE PROVISIONS OF THIS ITEM WILL NOT APPLY FOR THE ESTABLISHMENT OF RATES AT POINTS IN ARIZONA, OREGON, WASHINGTON OR WYOMING, NOR AT POINTS IN NEVADA OTHER THAN THOSE LOCATED ON US HIGHWAYS 40, AND 91 (INTERSTATE HIGHWAYS 80 AND 15).

EXCEPTION 9 - POINTS IN IDAHO NORTH OF THE SALMON RIVER AND POINTS IN MONTANA WILL NOT BE CONSIDERED INTERMEDIATE BETWEEN POINTS IN CALIFORNIA, ON THE ONE HAND, AND, POINTS IN IDAHO OR UTAH, ON THE OTHER

EXCEPTION 10 - ON TRAFFIC MOVING VIA US HIGHWAY 95, CALDWELL AND NAMPA, ID WILL BE CONSIDERED AS INTERMEDIATE BETWEEN BOISE, ID AND ANY POINT INCLUDED IN THE SAN FRANCISCO, CA COMMODITY RATE GROUP.

EXCEPTION 11 - RATES AND CHARGES PUBLISHED IN THIS TARIFF FROM OR TO TWIN FALLS, ID, TO OR FROM ANY POINT INCLUDED IN THE SAN FRANCISCO, CA COMMODITY RATE GROUP, WILL NOT APPLY FROM OR TO POINTS WEST OR NORTH OF TWIN FALLS, ID LOCATED ON US HIGHWAYS 30, 93 AND 95, AND IDAHO HIGHWAYS 16, 18, 19, 20, 24, 25 AND 44.

EXCEPTION 12 - RATES AND CHARGES PUBLISHED IN THIS TARIFF FROM OR TO BOISE, ID, AND POINTS WEST OF BOISE, ID, TO OR FROM ANY POINT INCLUDED IN THE SAN FRANCISCO, CA COMMODITY RATE GROUP, WILL NOT APPLY FROM OR TO TWIN FALLS, ID, OR POINTS EAST OF TWIN FALLS, ID.

EXCEPTION 13 - RATES AND CHARGES PUBLISHED IN THIS TARIFF FROM OR TO POINTS IN UTAH LOCATED SOUTH OF SPANISH FORK ON US HIGHWAY 89 WILL NOT APPLY FROM OR TO POINTS IN UTAH LOCATED ON US HIGHWAY 91.

EXCEPTION 14 - THE PROVISIONS OF THIS ITEM WILL NOT APPLY FOR THE ESTABLISHMENT OF RATES FROM OR TO ANY POINT INCLUDED IN THE CEDAR CITY, EPHRAIM, FILLMORE, HEBER, KANAB, MILFORD, MORONI, MT. PLEASANT, NEPHI, PANGUITCH, PAROWAN, RICHFIELD, ST. GEORGE, UT COMMODITY RATE GROUPS, OR ANY UNNAMED UTAH POINT LOCATED SOUTH OF SPANISH FORK, UT, ON US HIGHWAYS 6, 50, 89 OR 91, WHEN THE RATE TO BE APPLIED IS THAT APPLICABLE FROM OR TO ANY POINT INCLUDED IN THE LIVERMORE AND SAN FRANCISCO, CA COMMODITY RATE GROUPS OR A POINT IN CALIFORNIA LISTED IN ITEM 1100.

EXCEPTION 15 - THE PROVISIONS OF THIS ITEM WILL NOT APPLY FOR THE PURPOSE OF ESTABLISHING RATES FROM OR TO POINTS IN IDAHO IN CONNECTION WITH RATES PUBLISHED BETWEEN POINTS IN CALIFORNIA, ON THE ONE HAND, AND, ON THE OTHER, POINTS IN UTAH.

(ITEM CONTINUED ON PAGE 104 SERIES)

FOR EXPLANATION OF ABBREVIATIONS OR REFERENCE MARKS NOT EXPLAINED ON THIS PAGE, SEE LAST PAGE OF TARIFF.

ISSUED NOVEMBER 8, 1974 — EFFECTIVE DECEMBER 21, 1974

CORRECTION 333

ISSUED BY
Z. L. PEARSON, JR., GENERAL MANAGER
P.O. BOX 5746 TERMINAL ANNEX, DENVER, COLORADO 80217

K5

RULES	ITEM
INTERMEDIATE POINTS	577 CONTINUED

EXCEPTION 16 - THE PROVISIONS OF THIS ITEM WILL NOT APLY FOR ESTABLISHMENT OF RATES FROM OR TO POINTS IN CALIFORNIA LOCATED:

(1) ON OR EAST OF US HIGHWAY 395 BETWEIN THE CALIFORNIA-NEVADA STATE LINE AND ITS JUNCTION WITH CALIFORNIA STATE HIGHWAY 14;

(2) ON OR EAST OF CALIFORNIA STATE HIGHWAY 14, BETWEEN ITS JUNCTION WITH US HIGHWAY 395 AND ITS JUNCTION WITH INTERSTATE HIGHWAY 5, EXCEPT POINTS LOCATED ON INTERSTATE HIGHWAY 15;

(3) ON OR NORTH OF CALIFORNIA STATE HIGHWAY 37 AND NORTH OR WEST OF INTERSTATE HIGHWAY 80.

EXCEPTION 17 - THE PROVISIONS OF THIS ITEM WILL NOT APPLY FOR THE ESTABLISHMENT OF RATES AT POINTS LOCATED ON US HIGHWAY 26 BETWEEN IDAHO FALLS, ID, AND THE IDAHO-WYOMING BORDER.

EXCEPTION 18 - RATES PUBLISHED BETWEEN POINTS IN CALIFORNIA, ON THE ONE HAND, AND, ON THE OTHER, POINTS IN IDAHO, OREGON, MONTANA OR WYOMING, WILL NOT APPLY FOR THE ESTABLISHMENT OF RATES FROM OR TO UTAH.

EXCEPTION 19 - THE PROVISIONS OF THIS ITEM WILL NOT APPLY FROM OR TO POINTS LOCATED ON US HIGHWAYS 20 AND 26 BETWEEN CAREY, ID, ON THE ONE HAND, AND IDAHO FALLS AND BLACKFOOT, ID ON THE OTHER.

EXCEPTION 20 - RATES AND CHARGES PUBLISHED IN THIS TARIFF FROM AND TO BOISE, BURLEY, CALDWELL, EMMETT, GOODING, JEROME, MOUNTAIN HOME, NAMPA, PAYETTE, POCATELLO, RUPERT, TWIN FALLS, WEISER OR WENDELL, ID, OR POINTS IN OREGON, WILL NOT APPLY FROM OR TO BLACKFOOT, FIRTH, FORT HALL, IDAHO FALLS OR SHELLEY, ID.

EXCEPTION 21 - THE PROVISIONS OF THIS ITEM WILL NOT APPLY FOR THE ESTABLISHMENT OF RATES FROM OR TO ANY UTAH POINT LOCATED ON NATIONAL INTERSTATE HIGHWAY 80 (US HIGHWAY 30S) BETWEEN UINTAH, UT AND ECHO CITY, UT.

EXCEPTION 22 - RATES AND CHARGES PUBLISHED IN THIS TARIFF FROM OR TO MCCAMMON, ID AND POINTS IN IDAHO NORTH OR WEST OF MCCAMMON, ID LOCATED ON US HIGHWAYS 30, 30N, 30S, 91 AND 191, WILL NOT APPLY FOR THE ESTABLISHMENT OF RATES AT POINTS LOCATED ON:

(A) US HIGHWAY 89 NORTH OF LOGAN, UT TO AND INCLUDING MONTPELIER, ID.
(B) US HIGHWAY 30N BETWEEN MONTPELIER, ID AND MCCAMMON, ID, NOT INCLUDING MCCAMMON, ID.
(C) IDAHO HIGHWAY 34 BETWEEN ALEXANDER, ID AND PRESTON, ID, NOT INCLUDING PRESTON, ID.
(D) US HIGHWAY 91 BETWEEN PRESTON, ID AND THE JUNCTION OF US HIGHWAYS 91 AND 30N, NOT INCLUDING PRESTON, ID.

EXCEPTION 23 - THE PROVISIONS OF THIS ITEM WILL NOT APPLY FOR THE ESTABLISHMENT OF RATES TO OR FROM POINTS IN MONTANA LOCATED ON US HIGHWAY 10 AND US HIGHWAY 191 IN CONNECTION WITH RATES PUBLISHED FROM OR TO BUTTE, MT OR POINTS IN MONTANA LOCATED SOUTH OF BUTTE, MT ON US HIGHWAY 91.

EXCEPTION 24 - RATES AND CHARGES PUBLISHED IN THIS TARIFF FROM OR TO POINTS IN THE SALT LAKE CITY, UT GROUP WILL NOT APPLY FROM OR TO POINTS IN UTAH LOCATED NORTH THEREOF.

(ITEM CONCLUDED ON PAGE 105 SERIES)

INCLUDED PROPOSAL, IF EFFECTED, WILL NOT RESULT IN AN EFFECT ON THE QUALITY OF THE HUMAN ENVIRONMENT

RULES	ITEM
INTERMEDIATE POINTS	577 CONCLUDED

EXCEPTION 25 - THE PROVISIONS OF THIS ITEM WILL NOT APPLY FOR ESTABLISHMENT OF RATES FROM, TO OR BETWEEN POINTS IN THE STATES OF NEW MEXICO OR TEXAS.

EXCEPTION 26 - THE PROVISIONS OF THIS ITEM WILL NOT APPLY FOR THE ESTABLISHMENT OF LTL RATES FROM OR TO POINTS IN WYOMING LOCATED ON US HIGHWAYS 30, 30N OR 30S.

EXCEPTION 27 - FOR THE PURPOSE OF APPLYING RATES UNDER THIS ITEM, POINTS LOCATED ON OR EAST OF US HIGHWAY 85 WILL NOT BE CONSIDERED AS INTERMEDIATE FROM OR TO ANY POINT LOCATED WEST OF US HIGHWAY 85.

EXCEPTION 28 - THE PROVISIONS OF THIS ITEM WILL NOT APPLY FOR ESTABLISHMENT OF RATES FROM OR TO POINTS IN CALIFORNIA LOCATED:

(1) ON OR EAST OF US HIGHWAY 395 BETWEEN THE CALIFORNIA-NEVADA STATE LINE AND ITS JUNCTION WITH CALIFORNIA STATE HIGHWAY 14;

(2) ON OR EAST OF CALIFORNIA STATE HIGHWAY 14, BETWEEN ITS JUNCTION WITH US HIGHWAY 395 AND ITS JUNCTION WITH INTERSTATE HIGHWAY 5, EXCEPT POINTS LOCATED ON INTERSTATE HIGHWAY 15;

(3) ON OR NORTH OF CALIFORNIA STATE HIGHWAY 37 AND NORTH OR WEST OF INTERSTATE HIGHWAY 80.

EXCEPTION 29 - THE PACIFIC MOTOR TRUCKING COMPANY IS NOT AUTHORIZED TO PERFORM SERVICE AT INTERMEDIATE POINTS LOCATED:

(1)ϕ ΔPROVISIONS CANCELED. NO APPLICATION.

(2) ON US HIGHWAY 70 BETWEEN DUNCAN AND SOLOMONSVILLE, AZ, WHEN SUCH POINTS ARE MORE THAN TEN MILES BY HIGHWAY FROM EITHER DUNCAN OR SOLOMONSVILLE, AZ.

EXCEPTION 30 - WHEN IN CONNECTION WITH DELTA LINES, INC., THE PROVISIONS OF THIS ITEM WILL NOT APPLY FOR ESTABLISHMENT OF RATES FROM OR TO POINTS SERVED BY DELTA LINES, INC.

EXCEPTION 31 - THE PROVISIONS OF THIS ITEM WILL NOT APPLY FOR ESTABLISHMENT OF RATES BETWEEN STATIONS IN THE STATES OF CALIFORNIA AND NEVADA, ON THE ONE HAND, AND STATIONS IN THE STATE OF UTAH, ON THE OTHER HAND.

EXCEPTION 32 - THE PROVISIONS OF THIS ITEM DO NOT APPLY FOR THE ESTABLISHMENT OF RATES FROM OR TO POINTS LOCATED ON US HIGHWAY 6 IN NEVADA.

EXCEPTION 33 - THE PROVISIONS OF THIS ITEM WILL NOT APPLY FOR THE ESTABLISHMENT OF RATES AT POINTS IN CALIFORNIA LOCATED ON US HIGHWAY 40 (INTERSTATE HIGHWAY 80) EAST OF AUBURN.

ϕ - EFFECTIVE DECEMBER 21, 1974.

ORIGINAL PAGE 73 — ROCKY MOUNTAIN MOTOR TARIFF BUREAU, INC., AGENT — ORIGINAL PAGE 73

SECTION 1

RULES	ITEM
INTERMEDIATE POINTS	577

(1) VOLUME COMMODITY RATES APPLICABLE FROM INTERMEDIATE POINTS (SUBJECT TO EXCEPTIONS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 AND 15)

WHEN ANY POINT OF ORIGIN IS NOT PROVIDED IN THIS TARIFF WITH A VOLUME COMMODITY RATE ON A GIVEN ARTICLE TO A PARTICULAR DESTINATION OVER A PARTICULAR ROUTE, AND SUCH ORIGIN IS BETWEEN THE CONSIDERED DESTINATION AND A POINT FROM WHICH A VOLUME COMMODITY RATE ON THE ARTICLE IS PUBLISHED IN THIS TARIFF OVER THE SAME ROUTE TO SUCH DESTINATION, APPLY ON SUCH ARTICLE THE VOLUME COMMODITY RATE FROM THE NEXT MORE-DISTANT POINT FROM WHICH A VOLUME COMMODITY RATE IS NAMED THEREON OVER THE CONSIDERED ROUTE THROUGH THE INTERMEDIATE POINT, EXCEPT AS PROVIDED IN NOTES 1, 2, 3, 4 AND 9.

(2) VOLUME COMMODITY RATES APPLICABLE TO INTERMEDIATE POINTS (SUBJECT TO EXCEPTIONS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 AND 15)

WHEN ANY POINT OF DESTINATION IS NOT PROVIDED IN THIS TARIFF WITH A VOLUME COMMODITY RATE ON A GIVEN ARTICLE FROM A PARTICULAR ORIGIN OVER A PARTICULAR ROUTE, AND SUCH DESTINATION IS BETWEEN THE CONSIDERED ORIGIN AND A POINT TO WHICH A VOLUME COMMODITY RATE ON THE ARTICLE IS PUBLISHED IN THIS TARIFF OVER THE SAME ROUTE FROM SUCH ORIGIN, APPLY ON SUCH ARTICLE THE VOLUME COMMODITY RATE TO THE NEXT MORE-DISTANT POINT TO WHICH A VOLUME COMMODITY RATE IS NAMED THEREON OVER THE CONSIDERED ROUTE THROUGH THE INTERMEDIATE POINT, EXCEPT AS PROVIDED IN NOTES 5, 6, 7, 8 AND 9.

(3) CLASS RATES FROM AND TO INTERMEDIATE POINTS (SUBJECT TO EXCEPTIONS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 AND 15)

FROM OR TO ANY POINT FOR WHICH CLASS RATES ARE NOT PUBLISHED IN THE CLASS RATE SECTION OF THIS TARIFF WHICH IS INTERMEDIATE TO A POINT FROM OR TO WHICH CLASS RATES ARE PUBLISHED IN THIS TARIFF THROUGH SUCH UNNAMED POINT, APPLY FROM OR TO SUCH UNNAMED POINT THE CLASS RATE PUBLISHED IN THIS TARIFF FROM OR TO THE NEXT MORE DISTANT POINT.

CLASS RATES DETERMINED BY THIS RULE APPLY ONLY ON SHIPMENTS WHICH WEIGH 1,000 POUNDS OR MORE, OR ON SHIPMENTS ON WHICH CHARGES ARE ASSESSED ON THE BASIS OF 1,000 POUNDS OR MORE.

NOTE 1 - WHEN, BY REASON OF BRANCH OR DIVERGING ROUTES, THERE ARE MORE THAN ONE MORE-DISTANT POINTS FROM WHICH VOLUME COMMODITY RATES ON THE ARTICLE TO THE CONSIDERED DESTINATION ARE PUBLISHED IN THIS TARIFF, APPLY THE RATE FROM THE MORE-DISTANT POINT WHICH, ON THAT ARTICLE TO THE SAME DESTINATION OVER THE SAME ROUTE, RESULTS IN THE LOWEST CHARGE.

NOTE 2 - IF THE INTERMEDIATE POINT IS LOCATED BETWEEN TWO POINTS FROM WHICH VOLUME COMMODITY RATES ON THE SAME ARTICLE ARE PUBLISHED IN THIS TARIFF TO THE SAME DESTINATION OVER THE SAME ROUTE, APPLY THAT ONE OF SUCH RATES WHICH RESULTS IN THE HIGHER CHARGE. IF, DUE TO BRANCH OR DIVERGING ROUTES, THERE ARE TWO OR MORE NEXT MORE-DISTANT POINTS IN THE SAME DIRECTION, ONLY THAT ONE OF SUCH POINTS FROM WHICH THE LOWEST CHARGE RESULTS WILL BE CONSIDERED IN APPLYING THE PROVISIONS OF THIS NOTE.

NOTE 3 - IF THE CLASS RATE ON THE SAME ARTICLE TO THE SAME DESTINATION OVER THE SAME ROUTE FROM THE INTERMEDIATE POINT PRODUCES A LOWER CHARGE THAN WOULD RESULT FROM APPLYING THE VOLUME COMMODITY RATE UNDER THIS RULE, SUCH VOLUME COMMODITY RATE WILL NOT APPLY.

NOTE 4 - IF THERE IS IN ANY OTHER TARIFF A VOLUME COMMODITY RATE (NOT MADE BY USE OF AN INTERMEDIATE POINT RULE) PUBLISHED FOR THE ACCOUNT OF THE SAME CARRIER OR CARRIERS ON THE SAME ARTICLE FROM THE CONSIDERED INTERMEDIATE POINT, APPLICABLE TO THE SAME DESTINATION OVER THE SAME ROUTE, THE PROVISIONS OF THIS RULE WILL NOT BE APPLIED FROM SUCH INTERMEDIATE POINT.

NOTE 5 - WHEN, BY REASON OF BRANCH OR DIVERGING ROUTES, THERE ARE MORE THAN ONE MORE-DISTANT POINTS TO WHICH VOLUME COMMODITY RATES ON THE ARTICLE FROM THE CONSIDERED ORIGIN ARE PUBLISHED IN THIS TARIFF, APPLY THE RATE TO THE MORE-DISTANT POINT WHICH, ON THAT ARTICLE FROM THE SAME ORIGIN OVER THE SAME ROUTE, RESULTS IN THE LOWEST CHARGE.

NOTE 6 - IF THE INTERMEDIATE POINT IS LOCATED BETWEEN TWO POINTS TO WHICH VOLUME COMMODITY RATES ON THE SAME ARTICLE ARE PUBLISHED IN THIS TARIFF FROM THE SAME ORIGIN OVER THE SAME ROUTE, APPLY THAT ONE OF SUCH RATES WHICH RESULTS IN THE HIGHER CHARGE. IF, DUE TO BRANCH OR DIVERGING ROUTES, THERE ARE TWO OR MORE NEXT MORE-DISTANT POINTS IN THE SAME DIRECTION, ONLY THAT ONE OF SUCH POINTS TO WHICH THE LOWEST CHARGE RESULTS WILL BE CONSIDERED IN APPLYING THE PROVISION OF THIS NOTE.

NOTE 7 - IF THE CLASS RATE ON THE SAME ARTICLE FROM THE SAME ORIGIN OVER THE SAME ROUTE TO THE INTERMEDIATE POINT PRODUCES A LOWER CHARGE THAN WOULD RESULT FROM APPLYING THE VOLUME COMMODITY RATE UNDER THIS RULE, SUCH VOLUME COMMODITY RATE WILL NOT APPLY.

NOTE 8 - IF THERE IS IN ANY OTHER TARIFF A VOLUME COMMODITY RATE (NOT MADE BY USE OF AN INTERMEDIATE POINT RULE) PUBLISHED FOR THE ACCOUNT OF THE SAME CARRIER OR CARRIERS ON THE SAME ARTICLE TO THE CONSIDERED INTERMEDIATE POINT, APPLICABLE FROM THE SAME ORIGIN OVER THE SAME ROUTE, THE PROVISIONS OF THIS RULE WILL NOT BE APPLIED TO SUCH INTERMEDIATE POINT.

(ITEM CONCLUDED ON PAGE 74 SERIES)

EXHIBIT 4.6
Item 577 Tariff RMB 334A
Intermediate Points Rule

FOR EXPLANATION OF ABBREVIATIONS OR REFERENCE MARKS NOT EXPLAINED ON THIS PAGE, SEE LAST PAGE OF TARIFF.

ISSUED September 14, 1973 — EFFECTIVE October 29, 1973

ISSUED BY
EVERETT C. FUNK, GENERAL MANAGER
P.O. BOX 5746 TERMINAL ANNEX, DENVER, COLORADO 80217

ORIGINAL PAGE 74 ROCKY MOUNTAIN MOTOR TARIFF BUREAU, INC., AGENT ORIGINAL PAGE 74

SECTION 1 EXHIBIT 4.6, p. 2

RULES	ITEM
INTERMEDIATE POINTS	577 CONCLUDED

NOTE 9 - THE PROVISIONS REFERRING HERETO APPLY ONLY IN CONNECTION WITH RATES SUBJECT TO A MINIMUM WEIGHT OF 10,000 POUNDS OR MORE.

EXCEPTION 1 - POINTS BETWEEN POCATELLO, ID AND IDAHO FALLS, ID, INCLUDING POCATELLO AND IDAHO FALLS, ID, WILL NOT BE CONSIDERED INTERMEDIATE BETWEEN SALT LAKE CITY AND OGDEN, UT, ON THE ONE HAND, AND, ON THE OTHER, JACKSON, MOOSE, PARK HEADQUARTERS, JENNY LAKE AND WILSON, WY.

EXCEPTION 2 - THE PROVISIONS OF THIS ITEM DO NOT APPLY ON THE TRAFFIC MOVING FROM OR TO THE POINTS OF DIXON, BAGGS, AND SAVERY, WYOMING NOR SLATER, CO.

EXCEPTION 3 - THE PROVISIONS OF THIS ITEM SHALL NOT BE USED TO ESTABLISH RATES FROM SALT LAKE CITY, OGDEN OR PROVO, UT, ON THE ONE HAND, TO POINTS IN UTAH EAST OF PROVO ON US HIGHWAY 6 AND 50, ON THE OTHER.

EXCEPTION 4 - RATES AND CHARGES PUBLISHED IN THIS TARIFF FROM OR TO POINTS IN UTAH DO NOT APPLY FROM OR TO POINTS IN IDAHO.

EXCEPTION 5 - RATES AND CHARGES PUBLISHED IN THIS TARIFF APPLICABLE BETWEEN POINTS IN UTAH, ON THE ONE HAND, AND, ON THE OTHER, ROCK SPRINGS, WY, DO NOT APPLY AT INTERMEDIATE POINTS LOCATED ON US HIGHWAY 189 NORTH OF KEMMERER, WY, TO THE INTERSECTION OF US HIGHWAYS 189 AND 187, AND FROM THE INTERSECTION OF US HIGHWAY 189 SOUTH ON US HIGHWAY 187 TO ROCK SPRINGS, WY.

EXCEPTION 6 - THE PROVISIONS OF THIS ITEM DO NOT APPLY AT POINTS LOCATED ON US HIGHWAY 40, BETWEEN SALT LAKE CITY, UT, AND VERNAL, UT.

EXCEPTION 7 - THE PROVISIONS OF THIS ITEM DO NOT APPLY FROM OR TO POINTS LOCATED ON US HIGHWAYS 20 AND 26 BETWEEN CAREY, ID ON THE ONE HAND, AND IDAHO FALLS AND BLACKFOOT, ID, ON THE OTHER.

EXCEPTION 8 - RATES AND CHARGES PUBLISHED IN THIS TARIFF FROM AND TO BOISE, BURLEY, CALDWELL, EMMETT, GOODING, JEROME, MOUNTAIN HOME, NAMPA, PAYETTE, POCATELLO, RUPERT, TWIN FALLS, WEISER OR WENDELL, ID, OR POINTS IN OREGON, DO NOT APPLY FROM OR TO BLACKFOOT, FIRTH, FORT HALL, IDAHO FALLS, OR SHELLEY, ID.

EXCEPTION 9 - THE PROVISIONS OF THIS ITEM DO NOT APPLY FOR THE ESTABLISHMENT OF RATES AT POINTS LOCATED ON US HIGHWAY 26 BETWEEN IDAHO FALLS, ID, AND THE IDAHO-WYOMING BORDER, NOR AT POINTS LOCATED ON US HIGHWAY 89 BETWEEN ALPINE, WY, AND MONTPELIER, ID, INCLUDING ALPINE, WY.

EXCEPTION 10 - THE PROVISIONS OF THIS ITEM DO NOT APPLY IN CONNECTION WITH ARBITRARY RATES PUBLISHED IN THIS TARIFF.

EXCEPTION 11 - THE PROVISIONS OF THIS ITEM DO NOT APPLY FOR THE ESTABLISHMENT OF RATES AT POINTS IN WYOMING LOCATED NORTH OF INTERSTATE HIGHWAY 80 (US HIGHWAY 30, 30N, 30S) IN CONNECTION WITH RATES PUBLISHED BETWEEN POINTS IN UTAH, IDAHO, OREGON, ON THE ONE HAND, AND ON THE OTHER:
(1) CASPER, WY.
(2) POINTS IN WYOMING LOCATED ON THE INTERSTATE HIGHWAY 80 (US HIGHWAYS 30, 30N, 30S) BETWEEN EVANSTON, WY AND PINE BLUFF, WY, INCLUSIVE.
(3) POINTS IN COLORADO.

EXCEPTION 12 - THE PROVISIONS OF THIS ITEM DO NOT APPLY OVER CARRIERS' IRREGULAR ROUTES.

EXCEPTION 13 - THE PROVISIONS OF THIS ITEM DO NOT APPLY FOR THE ESTABLISHMENT OF RATES BETWEEN POINTS IN COLORADO, ON THE ONE HAND, AND, ON THE OTHER, POINTS IN WYOMING.

EXCEPTION 14 - THE PROVISIONS OF THIS ITEM DO NOT APPLY AT POINTS IN UTAH LOCATED ON INTERSTATE HIGHWAYS 80 OR 80N EAST OF SALT LAKE CITY OR OGDEN, UT.

EXCEPTION 15 - THE PROVISIONS OF THIS ITEM DO NOT APPLY FOR THE ESTABLISHMENT OF RATES BETWEEN POINTS IN UTAH, ON THE ONE HAND, AND, ON THE OTHER, POINTS IN IDAHO OR OREGON.

FOR EXPLANATION OF ABBREVIATIONS OR REFERENCE MARKS NOT EXPLAINED ON THIS PAGE, SEE LAST PAGE OF TARIFF.

ISSUED September 14, 1973 EFFECTIVE October 29, 1973

ISSUED BY
EVERETT C. FUNK, GENERAL MANAGER
P.O. BOX 5746 TERMINAL ANNEX, DENVER, COLORADO 80217

JLE1

RULES	ITEM
INTERMEDIATE POINTS (APPLIES ONLY FOR REGULAR ROUTE CARRIERS)	577

FROM OR TO ANY POINT FOR WHICH CLASS RATES ARE NOT PUBLISHED IN SECTIONS 3 THRU 8 OF THIS TARIFF BUT WHICH IS INTERMEDIATE TO A POINT FROM OR TO WHICH RATES ARE PUBLISHED IN SECTIONS 3 THRU 8 OF THIS TARIFF THROUGH SUCH INTERMEDIATE POINT, THE CLASS RATE PUBLISHED IN SECTIONS 3 THRU 8 OF THIS TARIFF OVER THE SAME ROUTE FROM OR TO THE NEXT MORE DISTANT POINT WILL BE APPLIED.

CLASS RATES DETERMINED BY THIS RULE APPLY ONLY ON SHIPMENTS WHICH WEIGH 500 POUNDS OR MORE, OR ON SHIPMENTS ON WHICH CHARGES ARE ASSESSED ON THE BASIS OF 500 POUNDS OR MORE.

EXCEPTION A: THE PROVISIONS OF THIS RULE WILL NOT APPLY FOR THE ESTABLISHMENT OF RATES BETWEEN ANY TWO POINTS BOTH OF WHICH ARE LOCATED IN WESTERN TERRITORY AS DEFINED IN ITEM 110-5 OF RMB 20, OR BETWEEN ANY TWO POINTS BOTH OF WHICH ARE LOCATED IN EASTERN TERRITORY AS DEFINED IN ITEM 110-5 OF RMB 20.

EXCEPTION B: THE PROVISIONS OF THIS RULE WILL NOT APPLY FOR THE ESTABLISHMENT OF RATES AT POINTS IN NEW MEXICO, NOR AT EL PASO, CANUTILLO OR VINTON, TX ON TRAFFIC MOVING BETWEEN THOSE POINTS, ON THE ONE HAND, AND, ON THE OTHER, POINTS IN ARIZONA OR CALIFORNIA.

EXCEPTION C: THE PROVISIONS OF THIS RULE WILL NOT APPLY FOR THE ESTABLISHMENT OF RATES ON TRAFFIC MOVING BETWEEN POINTS IN ARIZONA CALIFORNIA, NEVADA OR UTAH, ON THE ONE HAND, AND, ON THE OTHER POINTS IN WYOMING LOCATED ON US HIGHWAYS 30, 30N OR 30S WEST OF CHEYENNE.

EXCEPTION D: THE PROVISIONS OF THIS RULE WILL NOT APPLY FOR THE ESTABLISHMENT OF RATES ON TRAFFIC MOVING BETWEEN POINTS IN ILLINOIS, IOWA, MINNESOTA, NORTH DAKOTA, SOUTH DAKOTA OR WISCONSIN, ON THE ONE HAND, AND, ON THE OTHER, POINTS IN COLORADO LOCATED ON OR EAST OF US HIGHWAYS 87 OR 287.

EXCEPTION E: THE PROVISIONS OF THIS RULE WILL NOT APPLY FOR THE ESTABLISHMENT OF RATES AT POINTS IN THAT PORTION OF COLORADO LOCATED WEST OF US HIGHWAYS 85 OR 87.

EXCEPTION F: THE PROVISIONS OF THIS RULE WILL NOT APPLY FOR THE ESTABLISHMENT OF RATES ON TRAFFIC MOVING TO OR FROM CARMEN, LEODORE, LEMHI, MUD LAKE, NORTH FORK, SALMON, TENDOY OR TERRETON, ID

EXCEPTION G: IN THE APPLICATION OF THIS RULE, POINTS IN ILLINOIS WILL NOT BE CONSIDERED AS INTERMEDIATE TO POINTS IN MINNESOTA ON TRAFFIC ORIGINATING AT OR DESTINED TO POINTS IN WESTERN TERRITORY.

EXCEPTION H: THE PROVISIONS OF THIS RULE WILL NOT APPLY FOR THE ESTABLISHMENT OF RATES ON TRAFFIC MOVING TO OR FROM CLIMAX, CO.

EXCEPTION I: THE PROVISIONS OF THIS RULE DO NOT APPLY FOR THE ESTABLISHMENT OF RATES AT POINTS IN ALASKA.

▲THE PROVISIONS FORMERLY SHOWN IN ITEM 616 ON 4TH REVISED PAGE 22 ARE NOW SHOWN IN ITEM 616 ON PAGE 22-A SERIES.

EXHIBIT 4.7

Item 577 Tariff RMB 521 (formerly 21-C)
Intermediate Points Rule

APPLICATION OF RATES

ITEM	APPLICATION
	APPLICATION OF JOINT MOTOR-RAIL, RAIL-MOTOR, MOTOR-RAIL-MOTOR OR RAIL-MOTOR-RAIL RATES FOR ACCOUNT OF THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY Joint motor-rail, rail-motor, motor-rail-motor or rail-motor-rail rates and/or provisions in this tariff, for [illegible] apply only on shipments actua[illegible] rail-motor-rail routes provided [illegible]f this item. NOTE 1 - Motor [illegible]ka and Santa Fe Railway Compan[illegible] e Tariff 429-D, ICC A-4664 or [illegible] n Trunk Line Committee, Age[illegible] EXHIBIT 4.8 Item 281 Tariff MWB 501 Intermediate Application (Unnamed Points) Rule
145	Departure from [illegible] t is permitted by authority of t[illegible] dated February 12, 1963, Supplemen[illegible] upplemental Fourth Section Order [illegible] ion Order No. 19761, dated M[illegible] 1, dated August 28, 1964, Twentiet[illegible] 5, Twenty-Fourth Supplemental F[illegible] Supplemental Fourth Section Order No. 1976[illegible] tal Fourth Section Order No. 19761, dated June 29, 1967, Forty-Fourth Supplemental Fourth Section Order No. 19761, dated April 18, 1967, and Forty-Sixth Supplemental Fourth Section Order No. 19761, dated May 15, 1967. (145)
150	SUBSTITUTION OF RAIL CARRIER SERVICE FOR MOTOR CARRIER SERVICE Shipments handled under this tariff are subject to the provisions of the following substituted freight service directories, supplements thereto or successive issues thereof, and where substituted service as authorized therein is performed, rates herein will apply: Middlewest Motor Freight Bureau, Agent, Substituted Freight Service Tariff 205-I, MF-ICC 626. Southwestern Motor Freight Bureau, Inc., J. D. Hughett, Agent, Substituted Freight Service Tariff 16-I, MF-ICC 403. Departure from the terms of the rules of Tariff Circulars No. 20 and MF No. 3 to the extent necessary to publish these provisions are authorized by special permission of the Interstate Commerce Commission Permission Nos. 32994 and R-M 2418. (150)
281	PART 1 CLASS RATES FROM OR TO UNNAMED POINTS DEFINITIONS: (a) The term "highway" means the roads, highways, streets or ways in any state. (b) "Point" means a particular city, town, village, community or other area which is treated as a unit for the application of rates. (c) An "unnamed" point is one from or to which class rates are not provided, other than the use of this rule. (d) A "named" point is one from or to which class rates are provided in this tariff, (or in other tariffs governed hereby), other than by use of this rule.
	PART 2 RATES FROM OR TO UNNAMED POINTS LOCATED ON HIGHWAYS BETWEEN NAMED POINTS (See Notes 2 and 3) (a) From any unnamed origin point, which is located on a highway between two named points determined by paragraphs (c) and (d) of this part, apply the higher of the class rates provided from such named points. (b) To any unnamed destination point, which is located on a highway between two named points determined by paragraphs (c) and (d) of this part, apply the higher of the class rates provided from such named points. (c) In such case, the named point referred to in paragraphs (a) and (b) of this Part must be the nearest named point on a highway (or highways) leading thereto from the unnamed point. (d) When by reason of branch or diverging highways, there are two or more nearest named points equidistant from the unnamed point, the highest rated or nearest named points will be used.

(Concluded on following page)

For explanation of abbreviations and reference marks see last page(s) of this tariff.

ITEM | APPLICATION EXHIBIT 4.8, p. 2

PART 3

RATES FROM OR TO UNNAMED POINTS NOT LOCATED BETWEEN NAMED POINTS
(See Notes 2 and 3)

(a) From or to unnamed points located on highways, but not located between named points, or

(b) From or to unnamed points not located on highways, apply the following provisions:

When the distance between the unnamed point and the nearest named point is:	The rates from or to the unnamed point will be determined by adding the following arbitrary to the rate from or to the nearest named point, subject to a minimum charge per shipment as provided below:		
DISTANCE IN MILES (See Note 1)	ARBITRARIES IN CENTS PER 100 POUNDS		MINIMUM ARBITRARY CHARGE IN CENTS PER SHIPMENT
	LTL OR AQ	VOL.	
5 or less	40	12	232
10 and over 5	53	15	301
15 and over 10	65	19	371
20 and over 15	77	22	440
25 and over 20	90	26	509
30 and over 25	101	29	579

281 (Concluded)

NOTE 1 - In determining the distance, the actual distance over the shortest route over which a truck can operate shall be used. Distance shall be computed from or to the Post Office having the same name as the named point from or to which a rate is published (use the main Post Office if it has more than one) from or to the actual place of loading or unloading. If the point named herein from or to which a rate is published has no Post Office by the same name, the distance shall be computed from or to the generally recognized business center of the community.

NOTE 2 - This rule does not authorize a carrier to handle shipments from or to points or via routes not within the scope of its operating authority.

NOTE 3 - If there is, in any other tariff, a class rate published specifically to or from the unnamed point, for account of the same carrier or carriers, over the same route, this rule will not apply.

EXCEPTIONS:
The provisions of this item will not apply via Superior Trucking Company, Inc., Atlanta, Ga. For provisions to apply, see Item 100.

Rules 3(d), 4(a), 4(m), 5 and 12 of tariff circular waived; ICC permission No. 28469-M.

(281)

THIS SPACE INTENTIONALLY LEFT BLANK

APPLICATION OF RATES — EXHIBIT 4.9 — 4.30

ITEM — APPLICATION

Part 1

Class Rates from or to Unnamed Points — CL — Item 281 Tariff MWB 502A Intermediate Application (Unnamed Points) Rule

DEFINITIONS:

(a) The term "Highway" means the roads, highways, streets and ways in any state.

(b) "Point" means a particular city, town, village, community or other area which is treated as a unit for the application of rates.

(c) An "Unnamed" point is one from or to which class rates are not provided, other than by use of this rule.

(d) A "Named" point is one from or to which class rates are provided in this tariff (or in tariffs governed hereby), other than by use of this rule.

PART 2

RATES FROM OR TO UNNAMED POINTS LOCATED ON HIGHWAYS BETWEEN NAMED POINTS
(See Notes 2, 3 and 4)

(a) From any unnamed origin point, which is located on a highway between two named points determined by paragraphs (c) and (d) of this Part, apply the higher of the class rates provided from such named points.

(b) To any unnamed destination point, which is located on a highway between two named points determined by paragraphs (c) and (d) of this Part, apply the higher of the class rates provided to such named points.

(c) In each case, the named point referred to in paragraphs (a) and (b) of this Part must be the nearest named point on a highway (or highways) leading thereto from the unnamed point.

(d) When by reason of branch or diverging highways, there are two or more nearest named points equidistant from the unnamed point, the highest rates of the nearest named points will be used.

PART 3

RATES FROM OR TO UNNAMED POINTS NOT LOCATED BETWEEN NAMED POINTS
(See Notes 2, 3 and 4)

281 (a) From or to unnamed points located on highways, but not located between named points, or
(b) From or to unnamed points not located on highways, apply the following provisions:

When the distance between the unnamed point and the nearest named point is:	The rate from or to the unnamed point will be determined by adding the following arbitrary to the rate from or to the nearest named point, subject to a minimum charge per shipment as provided below:			
DISTANCE IN MILES (See Note 1)	ARBITRARIES IN CENTS PER 100 POUNDS			MINIMUM ARBITRARY CHARGE IN CENTS PER SHIPMENT
	LTL OR AQ		VOL.	
	COLUMN 1	COLUMN 2		
5 or less	43	42	13	262
10 and over 5	56	53	16	341
15 and over 10	69	70	19	420
20 and over 15	82	79	22	520
25 and over 20	95	91	27	576
30 and over 25	108	103	30	655

COLUMN 1 - For shipments weighing less than 5,000 pounds.
COLUMN 2 - For shipments weighing 5,000 pounds and over.

NOTE 1 - In determining the distance, the actual distance over the shortest route over which a truck can operate shall be used. Distances shall be computed from or to the Post Office having the same name as the name point from or to which a rate is published (use the main Post Office if it has more than one) from or to the actual place of loading or unloading. If the point named herein from or to which a rate is published has no Post Office by the same name, the distance shall be computed from or to the generally recognized business center of the community.

NOTE 2 - This rule does not authorize a carrier to handle shipments from or to points or via routes not within the scope of its operating authority.

NOTE 3 - If there is, in any other tariff, a class rate published specifically to or from the unnamed point, for account of the same carrier or carriers, over the same route, this rule will not apply.

NOTE 4 - The provisions of this item will not apply where the provisions of Item 1103 in Tariff ICC MWB 125 are applicable (Application of Class Rates at Named or Unnamed Points-Terminal Area Rule).

Rule 3(d), 4(a), 4(m), 5 and 12 of Tariff Circular waived; ICC Permission No. 26439-M.
(281)

For explanation of abbreviations and reference marks see last page(s) of this tariff.

ITEM | APPLICATION

247

Rates or ch referring to thi

EXHIBIT 4.10

Item 281 Tariff MWB 535A

Intermediate Application (Unnamed Points) Rule

s from or to points oan below:

	00 POUNDS
LTL or A	
LTL or A	
Volume o	

250

ARBITRARIES FROM OR TO TEXAS POINTS REFERRING HERETO

Rates or charges on shipments subject to LTL, AQ or Volume rates from or to points referring to this item will be made by adding the arbitrary rates or charges shown below:

SHIPMENTS SUBJECT TO:	ARBITRARY IN CENTS PER 100 POUNDS
LTL rates less than 2,000 pounds.	64 (See Note 1)
Volume rates 2,000 pounds and over, but less than 5,000 pounds.	59
Volume rates 5,000 pounds and over, but less than 10,000 pounds.	55
Volume rates 10,000 pounds and over.	32

NOTE 1 - Subject to a minimum arbitrary charge of 262 cents.

(250)

253

ARBITRARIES FROM OR TO TEXAS POINTS REFERRING HERETO

Rates or charges on shipments subject to LTL, AQ or Volume rates from or to points referring to this item will be made by adding the arbitrary rates or charges shown below:

SHIPMENTS SUBJECT TO:	ARBITRARY IN CENTS PER 100 POUNDS
LTL or AQ rates less than 2,000 pounds.	64 (See Note 1)
LTL rates 2,000 pounds and over, but less than 5,000 pounds.	61
LTL rates 5,000 pounds and over, but less than 10,000 pounds.	57
Volume rates 10,000 pounds and over.	32

NOTE 1 - Subject to a minimum arbitrary charge of 262 cents.

(253)

281

PART 1

CLASS RATES FROM OR TO UNNAMED POINTS

DEFINITIONS:

(a) The term "highway" means the roads, highways, streets, and ways in any state.

(b) "Point" means a particular city, town, village, community or other area which is treated as a unit for the application of rates.

(c) An "UNNAMED" point is one from or to which class rates are not provided, other than by use of this rule.

(d) A "NAMED" point is one from or to which class rates are provided in this tariff (or in tariffs governed hereby), other than by use of this rule.

(Concluded on following page)

ITEM	APPLICATION EXHIBIT 4.10, p. 2

PART 2

RATES FROM OR TO UNNAMED POINTS LOCATED ON HIGHWAYS BETWEEN NAMED POINTS (See Notes 2, 3 and 4)

(a) From any unnamed origin point, which is located on a highway between two named points determined by paragraphs (c) and (d) of this part, apply the higher of the class rates provided from such named points.

(b) To any unnamed destination points, which is located on a highway between two named points determined by paragraphs (c) and (d) of this part, apply the higher of the class rates provided to such named points.

(c) In each case, the named point referred to in paragraphs (a) and (b) of this Part must be the nearest named point on a highway (or highways) leading thereto from the unnamed point.

(d) When by reason of branch or diverging highways, there are two or more nearest named points equidistant from the unnamed point, the highest rated of the nearest named points will be used.

PART 3

RATES FROM OR TO UNNAMED POINTS NOT LOCATED BETWEEN NAMED POINTS (See Notes 2, 3 and 4)

(a) From or to unnamed points located on highways, but not located between points, or

(b) From or to unnamed points not located on highways, apply the following provisions:

281 (Concluded)

When the distance between the unnamed point and nearest named point is:	The rate from or to the unnamed point will be determined by adding the following arbitrary to the rate from or to the nearest named point, subject to a minimum charge per shipment as provided below:			
DISTANCE IN MILES (See Note 1)	ARBITRARIES IN CENTS PER 100 POUNDS			MINIMUM ARBITRARY CHARGE IN CENTS PER SHIPMENT
	LTL or AQ		VOL.	
	LESS THAN 5,000 POUNDS	5,000 POUNDS AND OVER		
5 or less	46	44	15	255
10 and over 5	60	56	18	331
15 and over 10	73	69	20	407
20 and over 15	87	82	23	483
25 and over 20	102	95	27	558
30 and over 25	115	108	31	636

NOTE 1 - In determining the distance, the actual distance over the shortest route over which a truck can operate shall be used. Distances shall be computed from or to the Post Office having the name as the named point from or to which a rate is published (use the main Post Office if it has more than one) from or to the actual place of loading or unloading. If the point named herein from or to which a rate is published has no Post Office by the same name, the distance shall be computed from or to the generally recognized business center of the community.

NOTE 2 - This rule does not authorize a carrier to handle shipments from or to points or via routes not within the scope of its operating authority.

NOTE 3 - If there is, in any other tariff, a class rate published specifically to or from the unnamed point, for account of the same carrier or carriers, over the same route, this rule will not apply.

NOTE 4 - The provisions of this item will not apply where the provisions of Item 1103 in Tariff ICC MWB 125 are applicable (Application of Class Rates At Named or Unnamed Points-Terminal Area Rule).

Rules 3(d), 4(a), 4(m), 5 and 12 of Tariff Circular waived; ICC Permission No. 28469-M.

(281)

290

STRAIGHT OR MIXED SHIPMENTS

Except as otherwise provided in individual items, when more than one article is included in a rating item or commodity description list, the applicable ratings will apply on straight or mixed shipments of the articles in such rating items or commodity lists.

(290)

For explanation of abbreviations and reference marks see last page(s) of this tariff.

ITEM | APPLICATION

146 (Concluded)

(c) Joint Railway Compan provided in M item. When shi said carrier a provided in th of lading at t hereto. If a s shipment is no Tariff 221-E,

NOTE 1 - Motor to the extent Western Trunk

EXHIBIT 4.11

Item 148 Tariff MWB 540

Intermediate Application (Unnamed Points) Rule

o Texas Mexican rail-motor routes n Note 1 of this ons served by nd d, the rates firs in the bill ies parties t or if the ovided in MMFC ly.

Railway Company ICC A-1664.

Departure form Act is permitted by authority of the Interstate Commerce Commission Seventh Supplemental Fourth Section Order No. 19761, dated February 26, 1964.

(116)

148

PART 1

CLASS RATES FROM OR TO UNNAMED POINTS

DEFINITIONS:

(a) The term "highway" means the roads, highways, streets, and ways in any state.

(b) "Point" means a particular city, town, village, community or other area which is treated as a unit for the application of rates.

(c) An "UNNAMED" point is one from or to which class rates are not provided, other than by use of this rule.

(d) A "NAMED" point is one from or to which class rates are provided in this tariff (or in tariffs governed hereby), other than by use of this rule.

PART 2

RATES FROM OR TO UNNAMED POINTS LOCATED ON HIGHWAYS BETWEEN NAMED POINTS (See Notes 2 and 3)

(a) From any unnamed origin point, which is located on a highway between two named points determined by paragraphs (c) and (d) of this part, apply the higher of the class rates provided from such named points.

(b) To any unnamed destination point which is located on a highway between two named points determined by paragraphs (c) and (d) of this part, apply the higher of the class rates provided to such named points.

(c) In each case, the named point referred to in paragraphs (a) and (b) of this Part must be the nearest named point on a highway (or highways) leading thereto from the unnamed point.

(d) When by reason of branch or diverging highways, there are two or more nearest named points equidistant from the unnamed point, the highest rated of the nearest named points will be used.

PART 3

RATES FROM OR TO UNNAMED POINTS NOT LOCATED BETWEEN NAMED POINTS (See Notes 2 and 3)

(a) From or to unnamed points located on highways, but not located between named points, or

(b) From or to unnamed points not located on highways, apply the following provisions:

When the distance between the unnamed point and the nearest named point is	The rate from or to the unnamed point will be determined by adding the following arbitrary to the rate from or to the nearest named point, subject to a minimum charge per shipment as provided below:		
DISTANCE IN MILES (See Note 1)	ARBITRARIES, IN CENTS PER 100 POUNDS		MINIMUM ARBITRARY CHARGE IN CENTS PER SHIPMENT
	LTL OR AQ	VOL.	
5 or less	37	11	210
10 and over 5	48	14	273
15 and over 10	59	17	336
20 and over 15	70	20	399
25 and over 20	81	23	462
30 and over 25	92	26	525

(Concluded on following page)

ITEM	APPLICATION
118 (Concluded)	NOTE 1 - In determining the distance, the actual distance over the shortest route over which a truck can operate shall be used. Distances shall be computed from or to the Post Office having the same name as the named point from or to which a rate is published (see the main Post Office if it has more than one) from or to the actual place of loading or unloading. If the point named herein from or to which a rate is published has no Post Office of the same name, the distance shall be computed from or to the generally recognized business center of the community NOTE 2 - This rule does not authorize a carrier to handle shipments from or to points or via routes not within the scope of its operating authority NOTE 3 - If there is, in any other tariff, a class rate published specifically to or from the named point, for account of the same carrier or carriers, over the same route, this rule will not apply. EXCEPTIONS: The provisions of this item will not apply via Superior Trucking Company, Inc., Atlanta, Ga. For provisions to apply see Item 100. Rules 3(d), 4(a), 4(m), 5 and 12 of tariff circular waived, ICC Permission No. 28169-N (118)
150	SUBSTITUTION OF RAIL CARRIER SERVICE FOR MOTOR CARRIER SERVICE Shipments handled under this tariff are subject to the provisions of Middlewest Motor Freight Bureau, Agent, Substituted Freight Service Tariff 200-H, MF-ICC 567, and where substituted service as authorized herein is performed, rates herein will apply. Departures from the terms of the rules of Tariff Circulars No. 20 and MF No. 3 to the extent necessary to publish these provisions are authorized by special permission of the Interstate Commerce Commission Permission Nos. 32991, RN-2118, RN-2120 and MN-19048. (150)
183	WHARVES OR PIERS AT THE PORT OF NEW ORLEANS, LA. Where reference is made to this item, each Port of New Orleans, La., wharf or pier named below will be considered as a separate place for the purpose of applying rates, rules or regulations provided herein: Bienville Street Wharf Celeste Street Wharf Congress Street Wharf Desire Street Wharf Dunaine Street Wharf Erato Street Wharf Esplande Avenue Wharf First Street Wharf Florida Avenue Wharf Foreign Trade Zone No. 2 Galvez Street Wharf Gov. Nichols Street Wharf Harmony Street Wharf Julia Street Wharf Louisa Street Wharf Mandeville Street Wharf Market Street Wharf Napoleon Avenue Wharf Nashville Avenue Wharf Orange Street Wharf Pauline Street Wharf Perry Street Wharf Piety Street Wharf Poland Street Wharf Poydras Street Wharf Press Street Wharf Public Commodity Warehouse Robin Street Wharf St. Andrew Street Wharf Seventh Street Wharf Stuyvesant Dock (I.C. RR) Thalia Street Wharf Third Street Wharf Toulouse Street Wharf U. S. Army Terminal Washington Avenue Wharf (183)
260	APPLICATION OF RATES FROM AND TO PLACES WITHIN OR ADJACENT TO CORPORATE LIMITS OR INTEGRAL PARTS OF UNINCORPORATED COMMUNITIES (a) Rates, rules and regulations provided herein, shall apply from and to points named as well as from and to all places therein and integral parts thereof if such points are unincorporated communities or villages, also from and to all places that do not lie within a separately incorporated city, town or village, but which lie within one-quarter mile of the corporate limits of said points, if the population thereof is 2,500 or less, within one-half mile if the population is between 2,500 and 10,000; within one mile if the population is between 10,000 and 100,000 and within two miles if the population exceeds 100,000; all such populations to be determined according to the latest report of the United States Census Bureau. (b) In determining rates from and to places not lying within a separately incorporated city, town or village, which point lies within the distance specified in paragraph (a) hereof from two or more incorporated cities, towns or villages, the rate to apply shall be that which applies from the city, town or village closest to such point, if such point is equi-distant from two or more cities, towns or villages, the rate to apply shall be that which results in the lowest charge. (c) In applying the provisions of this rule, distances are to be measured by air line from the corporate limits of points from and to which rates are provided. (260)

For explanation of abbreviations and reference marks, see last page(s) of this tariff.

Intermediate application is by no means an automatic method of making rates to unnamed points. A carrier must be available who has the operating rights to serve the unnamed point as well as the named point beyond for which a rate is published.

2. Combination of local rates: One of the deficiencies of intermediate application as discussed above is that, although it effectively creates a "through" single-factor rate to every point, this rate is dominated by the long-haul carrier. A transcontinental truck line, for instance, may take a shipment to an interchange point near final destination where it is transferred to a short-line carrier for ultimate delivery. This carrier is expected to accept a share of the through rate based on percentage of mileage hauled or other form of proration. However, since this is a long-haul through rate, the tapering principle has already had its effect and the resulting rate per mile may not be adequate to amortize the terminal costs of the short-line carrier. The short-line carrier, therefore, may refuse to accept a portion of the through rate and may demand his full "local" rate from the interchange point to destination.

The local rate of the short-line carrier will be determined from the freight rate tariff for his locality which he either publishes himself or participates in when it is published by somebody else. A difficulty in this situation is that small regional or subregional carriers in sparsely settled areas are not massive business enterprises. They are seldom equipped to publish a complete freight tariff, negotiate many different rates to put into it, determine cost factors behind each rate, and keep the tariff up to date. Therefore, it is often more convenient to publish rates for the short delivery portion of a long haul by means of arbitrary rates discussed subsequently. However, numerous cases of rate construction by means of combinations of local rates will be seen in the data sets for the project study area states.

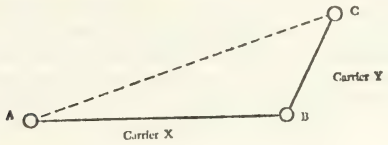
3. Arbitrary rates: The establishment of freight rates is generally supposed to be based upon economic factors, the ultimate of which are the cost to the carrier for providing the service and the need or demand of the customer to have it. The major rate theory behind arbitrary rates, however, is summed up in their name--they are established arbitrarily. Economic factors may be considered in their establishment but probably only in an intuitive way. Arbitrary rates may be fixed in amount regardless of classification of the freight or weight of shipment, or they may increase or decrease with the class of freight or weight bracket as with regular class rates. The "arbitrary" rate factor cannot be used as a local rate from and to the points it applies to but only when added to another factor to make a through rate from origin to final destination.

A well known authority on traffic management discusses arbitrary rates as follows:[2]

---

[2]Kenneth U. Flood, Traffic Management (Dubuque: Wm. C. Brown Co., 1963), pages 159 and 160.

The term "arbitrary" is generally used to name the fixed amount which must be added to the rate at a base point in order to arrive at charges to another destination.



For example, instead of publishing a joint through rate between A and C, the rate from A to B is applied plus a fixed amount from B to C.

Simplification in rate publishing is one of the reasons for adopting a rate structure using arbitraries. A good example can be found in the publication of motor carrier rates from the East to the Northwestern states. Instead of publishing rates from the East to all points served by motor carrier in the Northwest, local and joint rates are published only to large terminal points such as Spokane, Seattle and Portland. Arbitrary rates are then published to cover the movement from these terminal points to destinations beyond.

Another reason for the use of arbitraries is to give additional revenue to short-line carriers that would not get sufficient revenue by the ordinary methods used to determine division of joint rates. For example, instead of publishing a joint one-factor rate of $1.10 from A to C (in the foregoing diagram), the local rate from A to B of $1.00 will be made applicable on the shipment from A to C plus an arbitrary of 35 cents from B to C. This allows the short-haul carrier to receive more revenue than it would be entitled to if a joint rate were published. The ICC has never favored this method of making rates, stating that such rates put the territory local to the short or weak line at serious disadvantage and tend to hamper its development. This method also runs counter to the theory that the financial necessities of weak lines in such cases should be met by a liberal division of the joint rate.[38]

The term "arbitrary" is also used to express a situation in which there is a deviation from the normal basis of the class-rate scale. Topographical differences, traffic congestion causing abnormal expense and delay, back-hauls, and other factors cause the carriers to publish a higher scale of rates to and from these points than they normally would. The word "arbitrary" is used to express this type of situation even though

the increase is included in the published local or one-factor joint rate, no separate arbitrary rate being established.

---

[38]Southern Class Rate Investigation, 100 ICC 513, 653 (1925).

Arbitrary rates are used extensively by the motor freight carriers in the project study area. The specific applications, however, vary from state to state. These idiosyncrasies are pointed out, as thoroughly as possible, in the discussion of Hypothesis 2 in each of the state data set examinations. Two peculiarities in the way which arbitraries apply stand out and deserve mention in this general discussion.

The first is that the arbitrary rate between an interchange point and a final destination is almost always different when one approaches from a different distant origin regardless of the fact that the physical journey from the interchange point to the destination is exactly the same in each case.

For instance, the total Class 100 LTL rate from Los Angeles, California, to Allenmine, Colorado, is 1443 cents per 100 pounds. This is rated over Trinidad, Colorado (as shown on Map C.3 in Chapter 5). The rate is made up of: Los Angeles to Trinidad 1306 plus an arbitrary of 137 from Trinidad to Allenmine, total 1443.

The rate from Dallas, Texas, to Allenmine is 936 cents per 100 pounds, made up as follows: Dallas to Trinidad 768 plus an arbitrary of 168 from Trinidad to Allenmine.

Similar situations exist throughout the project study area. Another example is shown in the table which follows presenting differing arbitraries applicable to the potash mines in southeastern New Mexico. In each case the shipment must be rated first to Carlsbad in the particular tariff shown; it is then assessed the additional rate shown to take it from Carlsbad to the potash mines.

Arbitrary Rates Applying from Carlsbad, N.M.
to Potash Mines
on Traffic Originating in Territory Shown
in Cents per 100 Pounds

Weight Bracket	Arizona-California Item 1430 Tariff RMB 301	Middlewest Territory Item 264 Tariff MWB 215#	Pacific Northwest Item 6900 Tariff RMB 127
LTL	52	47	51
1,000#	52	47	46
2,000#	57	47	44
5,000#	54	45	42
10,000#	33	28	23

The other peculiarity in the way in which arbitraries are being used is that frequently an arbitrary will be imposed on top of a group rate. This situation is particularly observable in Colorado. For instance, from Los Angeles, California, Colorado Springs is shown as being in its own rate group taking a through rate of 1306 cents per 100 pounds. (See Map C.3, Chapter 5.) In practice, however, motor freight patrons are assessed a rate of 1306 plus an arbitrary of 48 cents per 100 pounds to cover the service of breaking bulk at Denver and delivering the freight from there. This occurs even though the carrier passes through Colorado Springs on his way to Denver. This point will be discussed again later but deserves general mention here.

Again, attention must be directed to the differing situation in the Middlewest Motor Freight Bureau tariffs. (Maps Neb.1, Neb.2, SD.2 and SD.3 in Chapter 5.) Because of the use of intermediate application, as discussed previously, there is substantially less utilization of arbitraries in Nebraska and eastern South Dakota.

4. Mileage rates: In sparsely populated areas, publication of rates from interchange points to outlying areas is accomplished by using mileage rates. This can be necessary in cases where delivery is made to a farm, mine, or other rural industrial site where even an unincorporated community does not exist. In such cases beyond rates are published at so much a mile; usually in mileage blocks of 5 miles, 10 miles, 20 miles with the rate per mile decreasing as total mileage increases. A simplified example of mileage rates appears in Items 281 of Middlewest Motor Freight Bureau Tariffs 501A and 502A which appear as Exhibits 4.8 and 4.9 in this chapter.

Mileage rates are used to some extent in the project study area to construct rates beyond final interchange points. This is particularly true in extremely sparsely settled areas such as Montana.

Rate to Mileage Relationships

The third hypothesis is restated for discussion as follows:

3. Generally, there is no continuous, uniform relationship between mileage and the subject freight rates as described above; in some cases rates may be higher for shorter than for longer distances in the same direction or even over the same route.

Clarification of Hypothesis

This hypothesis may seem to carry the implication that there is a necessary relationship between rates and mileage or that the relationship should progress at a uniform rate. There are, of course, two sides to the question. The situation is expressed in a reasonably objective statement from the Freight Traffic Redbook: [3]

---

[3]Charles J. Fagg and Walter W. Weller, Freight Traffic Redbook (New York: Traffic Publishing Company, Inc., 1955), p. 34.

> The distance of the haul is one of the important factors in constructing a rate. It costs more to carry goods a longer than a shorter distance, especially over the same route. Each additional mile involves an additional service. While the total rate increases with distance, the average rate per ton-mile decreases as the distance increases. It does not cost twice as much to haul freight 200 miles as it costs for a haul of 100 miles. The unit cost decreases as the distance increases. The expenses at terminals are not affected by the distance freight is hauled. They remain the same whether the haul is 200 or 100 miles, and this is practically true with respect to all other expenses, except, of course, the actual distance hauling expenses. When both the terminal and hauling expenses are considered, the cost per ton-mile is greater for shorter than for longer hauls.
>
> The local rates of a railroad are usually established on a distance or mileage scale, different rates being made on different classes of goods. Different classes of goods must pay different rates regardless of the distance hauled. It is as impracticable to fix a per-mile rate to apply on all classes of goods as it is to make rates solely on the basis of the cost of service. The result would be the same--the heaviest burden being imposed upon the cheapest goods. . . .
>
> While distance of haul has always been an important factor in the past, it is more so today, and mileage scales have developed to a point where distance is the major controlling factor for rates in the territories east of the Rocky Mountains. First class rates have been put on mileage basis, and immediately followed by applying same to commodity rates. Many factors of major importance in the past, such as market conditions, etc., have been relegated as minor factors in arriving at freight rates.

Again, of course, the author we have quoted is speaking of rail rates, but his words emphasize the importance of distance as a rate making factor and the appropriateness of collecting data on this subject.

If the third hypothesis is true, we expect to find that the rate per mile from a certain destination to selected points in each state will vary widely. We expect that a reasonably large number of cases will arise where rates per mile are for longer than for shorter distances.

If the hypothesis is false, we expect the rate per mile from a certain origin will be reasonably uniform to all (selected) points in a state. The tapering principle will cause rate per mile to decrease slightly as distance increases.

Method. The investigation of this hypotheses was done through the construction of three additional exhibits for each state. These are found in the data sets presented in Chapter 5 following the rate group maps for each state. They consist of (1) an alphabetical list of selected points in the state with rates and mileage from a major market

origin, (2) the same list arranged in order of mileage (not route order), and (3) a graph relating miles to rates.

Result. In the case of the third hypothesis, as with the others, the data sets subsequently presented indicate that the hypothesis is generally true. Very few cases of smooth rate/mile progression are seen and the situation may be described as somewhat "spotty."

Date Sets to Follow

This chapter has discussed the first three simple hypotheses we have set up, and has previewed the general results derived from the data in respect to each of these. The data sets for each state in the project study area are discussed in Chapter 5, which follows. Here each hypothesis is examined separately for each state.

CHAPTER 5

Discussion of Data Sets

The purpose of this chapter is to discuss data which supports the general findings set forth in Chapter 4. Three simple hypotheses were presented and reported as being mainly true.

Attention is now directed to the data sets which appear in alphabetical order by states in the following pages. For each state the data set consists of the following:

(a) "Rate-group" maps from three important origins. These were selected from the "significant" points discussed in Chapter 1. One objective of this was to obtain representative rate samples from three different directions.

(b) A table of rates from a selected origin to typical non-rate-group points (except in Nebraska).

(c) A table of points in alphabetical order showing mileage and rates from a selected origin.

(d) A table of points in order of distance from a selected origin showing mileage, rates, and rate in cents per mile per hundred pounds.

These data represent a huge number of variables, and each state displays different idiosyncrasies. The discussion, therefore, highlights important sample situations. The discerning reader can, no doubt, amplify these manyfold.

Colorado

The Colorado data set is the first appearing. It consists of Maps C.1, C.2, C.3, Table C.1, Table C.2, and Table C.3.

Through-Rate and Rate-Group Situation

Hypothesis 1 in Chapter 4 postulated a limited number of rate groups. Maps C.1, C.2, and C.3 indicate that this hypothesis is indeed true in the case of Colorado. The through rates from Dallas, Los Angeles and Minneapolis are shown on these maps as falling into a number of small groups around reasonably important points. These are indicated on the maps as encircled areas. The applicable freight rate from the subject origin of each map is shown in the center of the encircled area.

Wide expanses of the state are outside of or in between encircled areas. To towns located in these wide expanses it is necessary to "build" a rate which will be greater than the rates to nearby rate groups. Visual examination of these maps makes apparent certain patterns and idiosyncrasies.

Rates from Dallas. Attention is directed to Map C.1 showing Class 100 LTL rates from Dallas to Colorado points. These rates are published in a tariff of the Rocky Mountain Motor Tariff Bureau. Samples of interesting observations are itemized; others will be obvious to the reader.

Item: In the southeast corner of Map C.1 a group rated at 822 cents per hundred pounds lies closer to Dallas than one rated 753 which is located just north of it.

Item: In the southwestern portion of the map a group starting in the vicinity of Alamosa is rated 1175. Beyond it and farther from Dallas are two lower rated groups. One centers on Salida and is rated 1098. One centers on Grand Junction and is rated 1150.

Item: Castle Rock is south of Denver and is, therefore, closer to Dallas. Denver is rated 888. Castle Rock, however, is in the Boulder group, which is rated 912. (Castle Rock is also subject to an additional arbitrary charge discussed subsequently.)

Item: Note that the rate groups on this map tend to be arranged narrowly along major highways.

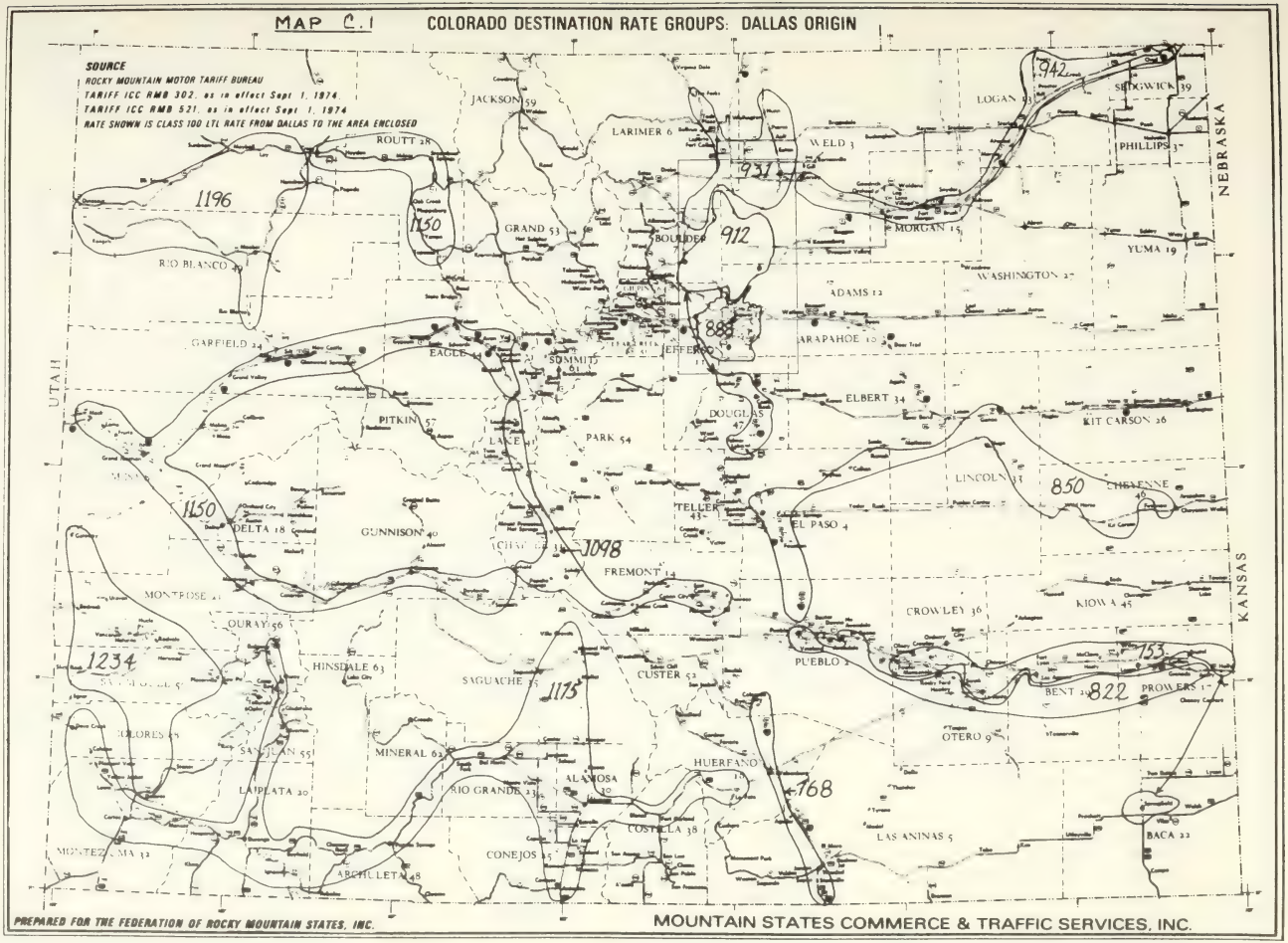
Rates from Los Angeles. Attention is now directed to Map C.2 which shows rates from the Los Angeles origin which are also from a Rocky Mountain Motor Bureau tariff. Observations again are itemized.

Item: Fewer inconsistencies in the relation of rates to distance are noted in this map. Assuming that carriers enter the state in the vicinity of Grand Junction, the rates "fan out" in reasonably logical fashion across the state.

Item: The rate groups on this map are not stretched out along the highway to the same extent as those on Map C.1.

Item: The operation of the tapering principle is suggested by the band of rate groups carrying a rate of 1306 which stretches north and south along the eastern side of the Rocky Mountains. At a distance of over 1000 miles from Los Angeles it might appear that start-up costs have been amortized sufficiently to allow this averaging of rates at the 1306 level. This may be true of start-up costs but the rate groups shown at the 1306 level are misleading because they do not show the delivery cost which is assessed in addition to the 1306 rate in most cases either over Denver or over Pueblo. (This is discussed subsequently.)

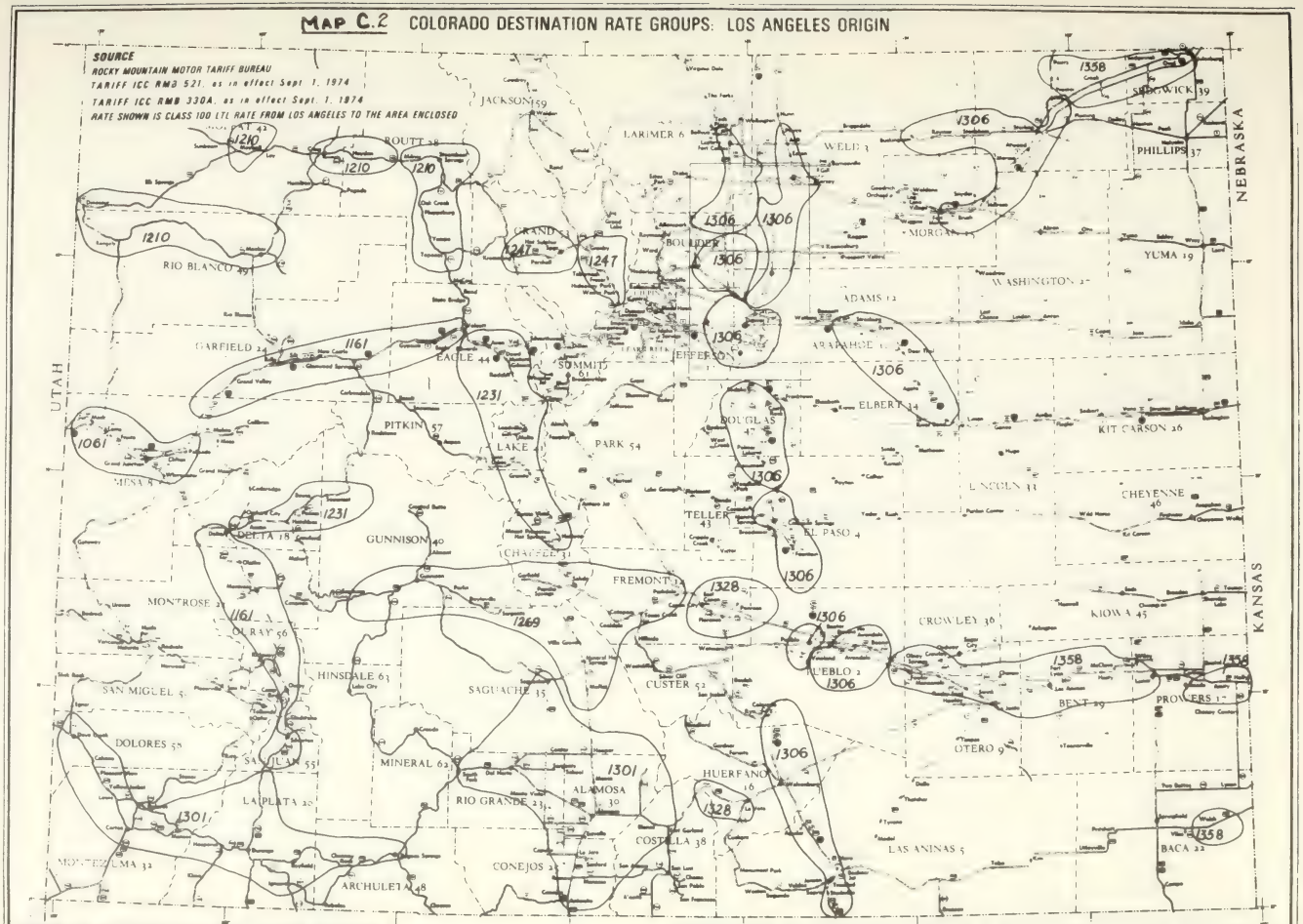
Rates from Minneapolis. Attention is directed to Map C.3 showing rates from the Minneapolis origin. Rates from Mineapolis to the western



PREPARED FOR THE FEDERATION OF ROCKY MOUNTAIN STATES, INC.

MOUNTAIN STATES COMMERCE & TRAFFIC SERVICES, INC.

MAP C.2 COLORADO DESTINATION RATE GROUPS: LOS ANGELES ORIGIN

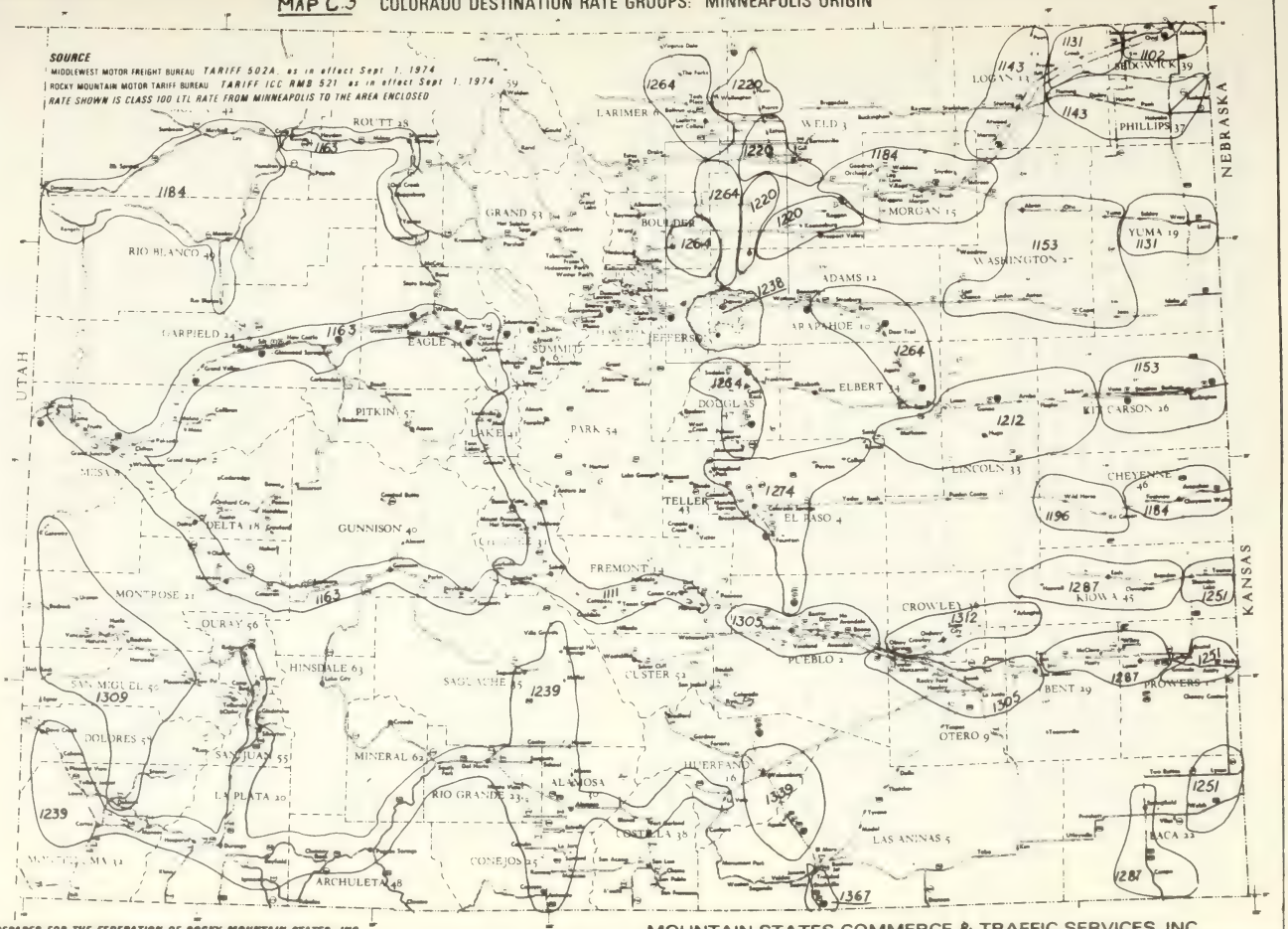


PREPARED FOR THE FEDERATION OF ROCKY MOUNTAIN STATES, INC.

MOUNTAIN STATES COMMERCE & TRAFFIC SERVICES, INC.

MAP C.3 COLORADO DESTINATION RATE GROUPS: MINNEAPOLIS ORIGIN

SOURCE
MIDDLEWEST MOTOR FREIGHT BUREAU *TARIFF 502A, as in effect Sept. 1, 1974*
ROCKY MOUNTAIN MOTOR TARIFF BUREAU *TARIFF ICC RMB 521, as in effect Sept. 1, 1974*
RATE SHOWN IS CLASS 100 LTL RATE FROM MINNEAPOLIS TO THE AREA ENCLOSED



PREPARED FOR THE FEDERATION OF ROCKY MOUNTAIN STATES, INC.

MOUNTAIN STATES COMMERCE & TRAFFIC SERVICES, INC.

part of the state are found in a tariff of the Rocky Mountain Motor Bureau. Rates from Minneapolis to the eastern half of Colorado are found in a tariff of the Middlewest Motor Freight Bureau. Some observations are itemized.

Item: The rate groups in the eastern half of Map C.3 tend to be more elliptical and less linear than those of the western part of the map or of Maps C.1 and C.2. They are also slightly closer together. This indicates that this Middlewest Bureau tariff tends to publish single-factor through rates to more points than the subject Rocky Mountain Bureau tariffs. This tendency will subsequently be noted in other states.

Item: Many inconsistencies between rates and distance appear in Map C.3. Rates begin in the range of 1100 cents per hundred pounds at the eastern border of the state and progress to about 1300 cents at the Rocky Mountains. On the west side of the mountains they revert to the 1100 level and again progress to about 1300 cents at the western border. This situation is possibly related to the fact that the tariffs of two different bureaus apply to the two parts of the state from Middlewest origins such as Minneapolis.

From an examination of these maps one must conclude that single-factor through rates are published only to a limited amount of the geographical area and, therefore, to a limited number of points in Colorado. This means that there are large areas and many small towns between the rate groups to which rates must be made by one of the methods discussed under Hypothesis 2 in Chapter 4.

The Arbitrary Rate Situation

Attention is now directed to Table C.1 of the Colorado data set. This table shows how rates are made to towns which are not included in single-factor through-rate groups as shown on Maps C.1, C.2, and C.3. These points were selected by visually examining the maps and picking outlying towns more or less evenly distributed around the state. Thus, the selection process was more or less random so long as all areas of the state were represented.

Because of the time and budget limitations requiring a sampling process, a major market origin was selected for each state. In the case of Colorado this origin was Los Angeles, California.

Selection of this origin in comparison to discussion which has preceded herein regarding the Dallas origin immediately makes obvious a difference in the applicable tariffs. This is that although a point may be in a rate group in one tariff, it is not necessarily in a rate group in all tariffs. Thus, we find Boulder listed as a non-rate-group point on Table C.1 where it was discussed as a rate-group point having its own single-factor through rate in reference to the Dallas origin on Map C.1.

Fifteen non-rate-group Colorado points are shown on Table C.1. The two central columns of the table show how the rate from Los Angeles

TABLE C-1 COLORADO

Class 100 LTL Rates from LOS ANGELES, CALIFORNIA

to Typical Non-Rate-Group Points

in the State of COLORADO

Non-Rate-Group Point	Rate from Los Angeles to Point or Rate Group Shown	Plus Rate Shown to Destination		Total Rate
Allenmine	1306 to Trinidad	137	(a) Item 6120 RMB 127	1443
Akron	1306 to Denver	408	(c) Local rate CMTB 12-B	1714
Aspen	1161 to Glenwood Springs	175	(f) Item 1525 RMB 330	1336
Boulder	1306 to Denver	161	(a) Item 6140 RMB 127	1467
Cheyenne Wells	1306 to Denver	335	(a) Item 16100 RMB 127	1641
Colbran	884 to Grand Junction	361	(c) Local rate CMTB 12-B	1245
Creede	1301 to Alamosa	405	(c) Local rate CMTB 12-B	1706
Eads	1306 to Denver	335	(a) Item 6100 RMB 127	1641
Holyoke	1306 to Denver	470	(c) Local rate CMTB 12-B	1776
Naturita	1061 to Grand Junction	514	(c) Local rate CMTB 12-B	1575
Norad	1306 to Colorado Springs	119	(a) Item 6240 RMB 127	1425
Springfield	1306 to Pueblo	463	(c) Local rate CMTB 12-B	1769
Towaoc	1301 to Durango	148	(a) Item 1525 RMB 330	1449
Walden	1306 to Denver	509	(c) Local rate CMTB 12-B	1815
Wray	1306 to Denver	463	(c) Local rate CMTB 12-B	1769

(a)=Arbitrary Class Rate (c)=Combination of Local Rates (f)=Flat Arbitrary

TABLE C-2

COLORADO

Alphabetical List of Rate-Group and Non-Rate-Group Points*

in the State of COLORADO

Showing Mileage and Class 100 LTL Rates from LOS ANGELES

Point or Group	Miles	Rate
Allenmine	1083	1443
Akron	1171	1714
Aspen	932	1336
Boulder	1076	1467
Cheyenne Wells	1231	1641
Colbran	844	1245
Colorado Springs	1093	1354
Creede	926	1706
Denver	1059	1306
Durango	801	1301
Eads	1174	1641
Fort Collins	1116	1354
Grand Junction	803	1061
Greeley	1113	1354
Holyoke	1231	1776
La Junta	1098	1357
Naturita	836	1575
Norad	1103	1425
Pueblo	1073	1306
Springfield	1109	1769
Sterling	1183	1354
Towaoc	777	1449
Walden	1037	1815
Wray	1235	1769

Source of Mileage: Mileage Guide No. 10, Arlington, Va.: Household Goods Carriers' Bureau, 1973. Mileage is the shortest main highway mileage between the points and does not necessarily reflect the authorized routes of certificated carriers.

*Does not include all points in the state.

TABLE C.3 COLORADO

Rate-Group and Non-Rate-Group Points in the State of COLORADO*
Arranged in Order of Mileage from LOS ANGELES and
Showing Class 100 LTL Rate from LOS ANGELES
with Bar Chart Comparing Cents per Hundredweight per Mile

(Points are NOT necessarily arranged in route order.)

POINT OR GROUP	MILES	RATE	CENTS PER HUNDRED POUNDS PER MILE (0 .25 .50 .75 1.00 1.25 1.50 1.75 2.00 2.25 2.50 2.75 3.00 3.25 3.50 3.75 4.00 4.25)	
Towaoc	777	1449		1.86
Durango	801	1301		1.62
Grand Junction	803	1061		1.32
Naturita	836	1575		1.88
Colbran	844	1245		1.48
Creede	926	1706		1.84
Aspen	932	1336		1.43
Walden	1037	1815		1.75
Denver	1059	1306		1.23
Pueblo	1073	1306		1.22
Boulder	1076	1467		1.36
Allenmine	1083	1443		1.33
Colorado Springs	1093	1354		1.24
La Junta	1098	1357		1.23
Norad	1103	1425		1.29
Springfield	1109	1769		1.60
Greeley	1113	1354		1.22
Fort Collins	1116	1354		1.21
Akron	1171	1714		1.46
Eads	1174	1641		1.40
Sterling	1183	1354		1.14
Cheyenne Wells	1231	1641		1.33
Holyoke	1231	1776		1.44
Wray	1235	1769		1.43

*Does not include all points in the state.

to these points is constructed. First the single-factor rate to the nearest rate group is determined and then another "local" rate is added to this to determine the total rate shown in the right-hand column. The third column shows the tariff reference for this "local" rate as well as the rate itself. Note that in the case of these 15 points, 6 are rated by means of variable arbitraries, one by a flat arbitrary, and 8 by a combination of local rates from a Colorado tariff (See Chapter 4 for discussion of these terms). In itself the method of determining the total rate in the right-hand column is not too meaningful unless the level of some part of the rate is inconsistent or inequitable.

For this reason the factor of mileage has been introduced in Table C.2. This table shows the total rate from Los Angeles to all of the representative points selected for Colorado as well as the non-rate-group points shown in Table C.1. (Representative points were selected and listed in Chapter 1 of this report.) Essentially this table is valuable only as an alphabetical consolidation of data although close study reveals several inconsistencies in the relation of distance to rates.

At this point, let us summarize the findings available in Tables C.1 and C.2 by saying they tend to prove Hypothesis 2 (See Chapter 4) which holds that arbitrary rates and combinations of local rates are widely used.

Special Colorado arbitrary situation. In connection with the use of arbitrary rates in Colorado, comment must be made of a peculiar method by which carriers are utilizing such rates.

Examination of Map C.2 showing the rate groups applicable from Los Angeles indicates that cities such as Colorado Springs,* Fort Collins, Greeley and Sterling are in rate groups to each of which a single-factor through rate of 1306 is shown. Yet, to each of these points Table C.2 indicates that the total rate is 1354. This is because the carriers break bulk on full loads at points such as Denver and then assess an arbitrary rate above the so-called through rate for the delivery portion of the haul.

An inconsistency appears when the subject points themselves are used as basing points. For instance, Colorado Springs is in the Colorado Springs rate group which takes a 1306 rate out of Los Angeles. The actual rate to Colorado Springs is 1306 plus an arbitrary of 48 cents out of Denver for a total of 1354. However, note the rate from Los Angeles to Norad shown in Table C.1. This is constructed as 1306 from Los Angeles to Colorado Springs plus an arbitrary of 119 cents from Colorado Springs to Norad.

---

*It should be noted that in the case of Colorado Springs only, many of the carriers "flag out" (or withdraw) from the tariff provision requiring application of the arbitrary. See Exhibits 5.1 and 5.2 in subsequent pages of this chapter.

It must be remembered that the cases cited are only samples of this practice and that similar situations apply from other origins and in other parts of the state. There is also some evidence that the application of such arbitraries is somewhat capricious and inconsistent. For instance, attention is directed to Exhibits 5.1 and 5.2 in the following pages of this chapter. These present arbitrary rate provisions similar to those found in several Rocky Mountain Bureau tariffs. They set forth arbitrary rates and charges which are to be assessed at over 130 Colorado points. Note may be taken that several carriers "flag out" or choose not to apply the arbitrary at Golden, Colorado. Several carriers remove application of the extra charge only for one large industry located at Golden. There are, however, several industrial sites along the route between Denver and Golden to which the arbitrary rate is applied.

Thus, we see that in Colorado, not only are arbitrary rates used extensively, but they are frequently used in what might be referred to as an unconventional manner. To some rate theorists it might seem illogical to publish a through rate to a point and then add to it an arbitrary from what is marketing-wise a competitive point.

Relationship of Rates to Mileage

Regardless of the way in which a rate is constructed mechanically, a more important factor is possible whether it is consistent and logical in relation to the units of service produced. Table C.3 and its bar graph relate to this concept, although we do not pretend that mileage or distance alone is a complete indicator of the units of service produced. This table shows the same points, mileage and rates as Table C.2, but arranges them in ascending order of distance. The bar graph and the figures in the right hand column translate the relationship between miles and rates into a cents per mile per hundred pounds figure.

The mileage which was used in this table and similar tables for the other states was taken from the Household Goods Carriers Mileage Guide No. 10. The mileage shown might be defined as the highway "short-line" mileage between the points which are the subject of the tables. This is not necessarily mileage over the routes which the carriers are certificated to follow. However, there is a strong case for using this short-line mileage as shippers who use motor truck service undoubtedly could not understand the rationale of utilizing a longer route when a shorter one was available.

One would not expect the cents per mile figure to remain constant for all distances. The tapering principle would predict that the rate per mile for short distances would be higher than for long distances. This effect can be seen faintly in this table and graph. For instance, the rate to Towaoc which is 777 miles from Los Angeles is 1.86 cents per mile, while the rate to Sterling at 1183 miles is 1.14. Overall this table does not represent a uniform progression, however, and the total picture is one of great inconsistency.

We must conclude that in the case of Colorado the data indicate that the third hypothesis is true and that there is very little continuing, uniform relationship between mileage and freight rates.

RULES	ITEM
ARBITRARY CHARGES - COLORADO (EASTERN) POINTS (EXCEPT AS PROVIDED IN NOTES 1, 2 AND 4 BELOW)	340-4

EXCEPT AS OTHERWISE PROVIDED IN CONNECTION WITH INDIVIDUAL RATES OR CHARGES, ON SHIPMENTS ORIGINATING AT OR DESTINED TO POINTS MAKING SPECIFIC REFERENCE TO THIS ITEM, AN ADDITIONAL CHARGE OF 44 CENTS PER 100 POUNDS WILL BE ADDED TO THE RATES OR CHARGES TO OR FROM SUCH POINTS, SUBJECT TO A MINIMUM ADDITIONAL CHARGE OF $1.59 PER SHIPMENT, AND A MAXIMUM ADDITIONAL CHARGE OF $8.85 PER SHIPMENT. THE MINIMUM ADDITIONAL CHARGE OF $1.59 PER SHIPMENT WILL BE IN ADDITION TO THE MINIMUM CHARGE PROVIDED IN ITEM 610 IN THIS TARIFF.

NOTE 1 - THE PROVISIONS OF THIS ITEM DO NOT APPLY FOR THE ACCOUNT OF IML FREIGHT, INC. (IMLF), RINGSBY TRUCK LINES, INC. (RING) OR WESTWAY MOTOR FREIGHT (WMFR), ON SHIPMENTS WEIGHING 5,000 POUNDS OR MORE ORIGINATING AT OR DESTINED TO GOLDEN, COLORADO.

NOTE 2 - THE PROVISIONS OF THIS ITEM DO NOT APPLY FOR THE ACCOUNT OF THE FOLLOWING CARRIERS ON SHIPMENTS ORIGINATING AT OR DESTINED TO COLORADO SPRINGS, COLORADO:

EASTERN EXPRESS, INC. (EETH)
ENGLEWOOD TRANSIT CO. (ENTC)
GRAVES TRUCK LINE, INC. (GRTL)
ILLINOIS-CALIFORNIA EXPRESS, INC. (ICXS)
NAVAJO FREIGHT LINES, INC. (NAVA)
PACIFIC INTERMOUNTAIN EXPRESS CO. (PIEC)
RED BALL MOTOR FREIGHT, INC. (RBMF)
SANTA FE TRAIL TRANSPORTATION CO., THE (SFTT)
T.I.M.E. - DC, INC. (TIME)
YELLOW FREIGHT SYSTEM, INC. (YFSY)

NOTE 4 - THE PROVISIONS OF THIS ITEM WILL NOT APPLY FOR THE ACCOUNT OF THE FOLLOWING CARRIERS ON SHIPMENTS ORIGINATING AT OR DESTINED TO GOLDEN, COLORADO:

ENGLEWOOD TRANSIT CO. (ENTC)
IML FREIGHT, INC. (IMLF)
MURPH'S EXPRESS, INC. (MURE) (NON-APPLICATION APPLIES ONLY AT ADOLPH COORS COMPANY PLANT SITE (AT OR NEAR GOLDEN), COORS CONTAINER COMPANY PLANT SITE (AT OR NEAR GOLDEN) AND/OR COORS PORCELEIN COMPANY PLANT SITE (AT OR NEAR GOLDEN))
NAVAJO FREIGHT LINES, INC. (NAVA) (NON-APPLICATION APPLIES ONLY AT ADOLPH COORS COMPANY PLANT SITE (AT OR NEAR GOLDEN), COORS CONTAINER COMPANY PLANT SITE (AT OR NEAR GOLDEN) AND/OR COORS PORCELEIN COMPANY PLANT SITE (AT OR NEAR GOLDEN))
RINGSBY TRUCK LINES, INC. (RING)
WESTWAY MOTOR FREIGHT (WMFR) (NON-APPLICATION APPLIES ONLY AT ADOLPH COORS COMPANY PLANT SITE (AT OR NEAR GOLDEN), COORS CONTAINER COMPANY PLANT SITE (AT OR NEAR GOLDEN) AND/OR COORS PORCELEIN COMPANY PLANT SITE (AT OR NEAR GOLDEN))
YELLOW FREIGHT SYSTEM, INC. (YFSY)

ARBITRARIES	ITEM
COLORADO, VARIOUS POINTS IN (SUBJECT TO NOTES 1, 2, 3, 4 AND 5)	1560

EXCEPT AS OTHERWISE PROVIDED IN CONNECTION WITH INDIVIDUAL RATES OR CHARGES, SHIPMENTS ORIGINATING AT OR DESTINED TO POINTS PUBLISHED IN SECTION 1 OF THIS TARIFF MAKING REFERENCE TO THIS ITEM ARE SUBJECT TO THE CLASS OR COMMODITY RATES PUBLISHED IN THIS TARIFF FROM OR TO SUCH POINTS PLUS AN ADDITIONAL ARBITRARY CHARGE OF 44 CENTS PER 100 POUNDS, SUBJECT TO A MINIMUM ADDITIONAL ARBITRARY CHARGE OF $1.59 AND A MAXIMUM ADDITIONAL ARBITRARY CHARGE OF $8.85 PER SHIPMENT.

NOTE 1 - THE PROVISIONS OF THIS ITEM WILL NOT APPLY ON SHIPMENTS WEIGHING 5,000 POUNDS OR MORE WHEN ORIGINATING AT OR DESTINED TO GOLDEN, CO.

NOTE 2 - THE PROVISIONS OF THIS ITEM WILL NOT APPLY FOR THE ACCOUNT OF THE CARRIERS INDICATED BELOW ON SHIPMENTS ORIGINATING AT OR DESTINED TO COLORADO SPRINGS, CO:

EASTERN EXPRESS, INC. (EETH)
ENGLEWOOD TRANSIT COMPANY. (ENTC)
EPHRAIM FREIGHTWAYS, INC. (EPHR)
GRAVES TRUCK LINE, INC. (GRTL)
ILLINOIS-CALIFORNIA EXPRESS, INC. (ICXS)
LOVING TRUCK LINES. (LVNG)
NAVAJO FREIGHT LINES, INC. (NAVA)
NORTHWEST TRANSPORT SERVICE, INC. (NWTS)
PACIFIC INTERMOUNTAIN EXPRESS CO. (PIEC)
RED BALL MOTOR FREIGHT, INC. (RBIF)
RIO GRANDE MOTOR WAY, INC. (RGMW)
THE SANTA FE TRAIL TRANSPORTATION COMPANY (SFTT)
T.I.M.E.-DC, INC. (TIME)
YELLOW FREIGHT SYSTEM, INC. (YFSY)

NOTE 3 - THE PROVISIONS OF THIS ITEM WILL NOT APPLY FOR THE ACCOUNT OF THE CARRIERS INDICATED BELOW ON SHIPMENGS ORIGINATING AT OR DESTINED TO GOLDEN, CO:

EASTERN EXPRESS, INC. (EETH)
ENGLEWOOD TRANSIT COMPANY. (ENTC)
IML FREIGHT, INC. (IMLF)
RINGSBY TRUCK LINES, INC. (RING)
RITEWAY TRANSPORT, INC. (RITW)
YELLOW FREIGHT SYSTEM, INC. (YFSY)

NOTE 4 - THE PROVISIONS OF THIS ITEM WILL NOT APPLY FOR THE ACCOUNT OF THE CARRIERS INDICATED BELOW ON SHIPMENTS ORIGINATING AT OR DESTINED TO ADOLPH COORS COMPANY PLANT SITE, COORS CONTAINER COMPANY PLANT SITE OR COORS PORCELAIN COMPANY AT OR NEAR GOLDEN, CO:

MURPH'S EXPRESS, INC. (MURE)
NAVAJO FREIGHT LINES, INC. (NAVA)
RITEWAY TRANSPORT, INC. (RITW)
WESTWAY MOTOR FREIGHT, INC. (WMFR)

NOTE 5 - THE PROVISIONS OF THIS ITEM WILL NOT APPLY FOR THE ACCOUNT OF (ENTC) ON SHIPMENTS ORIGINATING AT OR DESTINED TO THE FOLLOWING COLORADO POINTS:

AVONDALE
BAXTER
BROADMOOR
COLORADO SPRINGS
DEVINE
MANITOU SPRINGS
NORTH AVONDALE
PUEBLO
PUEBLO ARMY DEPOT
VINELAND

Idaho

The Idaho data sets which appear next present rate-group maps with origins of Denver, Portland and Spokane. The Denver map is based upon tariffs of the Rocky Mountain Motor Tariff Bureau whereas the Portland and Spokane maps allow some comparison between Rocky Mountain Bureau and Pacific Inland Tariff Bureau tariffs.

Through-Rate and Rate-Group Situation

Maps I.1, I.2, and I.3 were prepared in the same manner as the Colorado maps described previously. All three of these maps again indicate that single-factor through rates are published only to a limited number of rate groups in the southern part of the state. Through-rate coverage is much greater in the northern part of the state where Pacific Inland tariffs apply from Portland and Spokane than in the south where tariffs of the Rocky Mountain Motor Tariff Bureau apply from all three origins. Comments now follow regarding each map.

Rates from Denver. Map I.1 indicates that although there are many individual rate groups applicable from Denver, the rates progress logically according to distance with some exception. This occurs in the vicinity of Boise where two groups taking a rate of 1154 cents and two groups taking a rate of 1272 cents are interposed before the 1152-cent groups in northern Idaho. This may be related to the non-rate-group situation which is discussed subsequently.

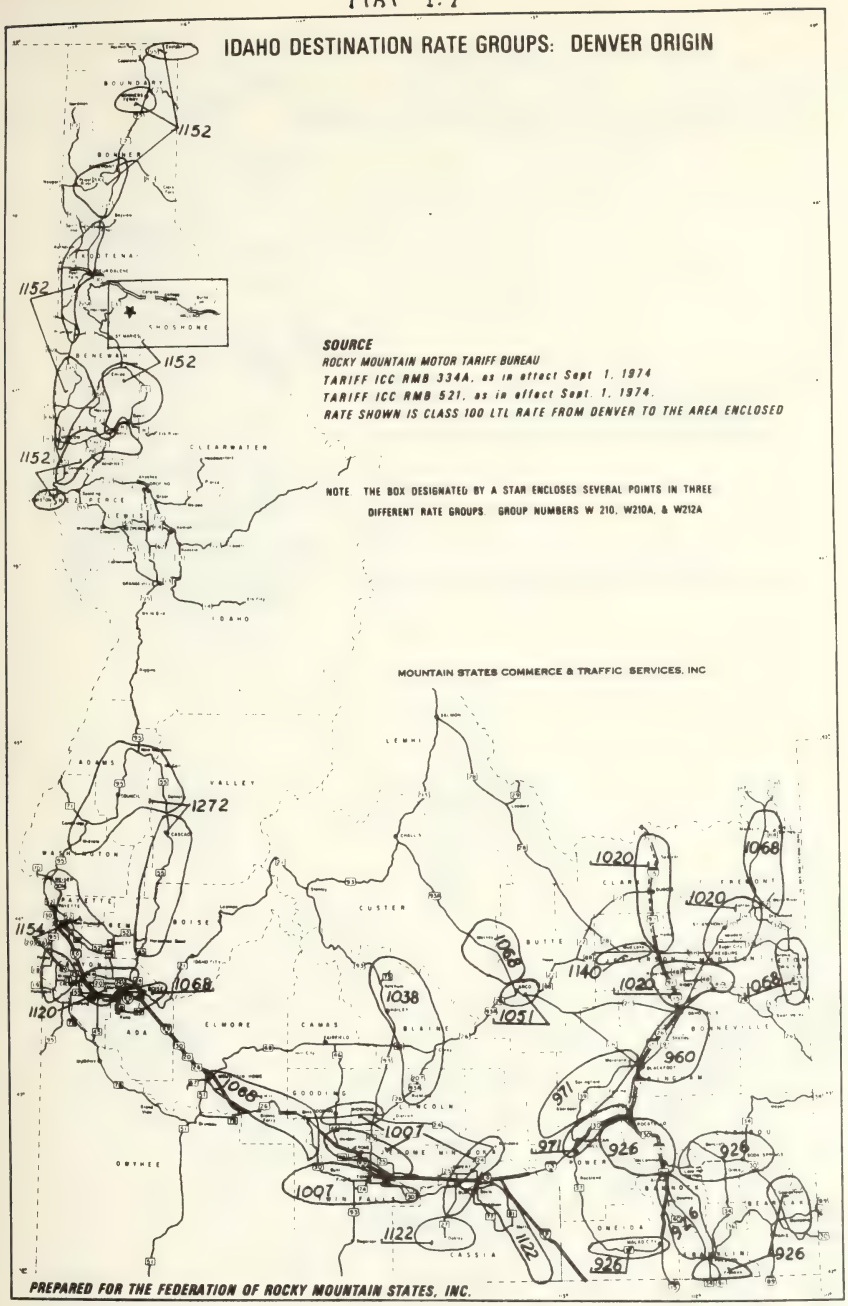
One notes the rather uniform coverage of the northern Idaho points by a rate of 1152 cents per hundred pounds from Denver.

Attention is also directed to the level of rates in the southeastern part of the state in the vicinity of Idaho Falls and Pocatello. These are subsequently compared to rates from Spokane and Portland.

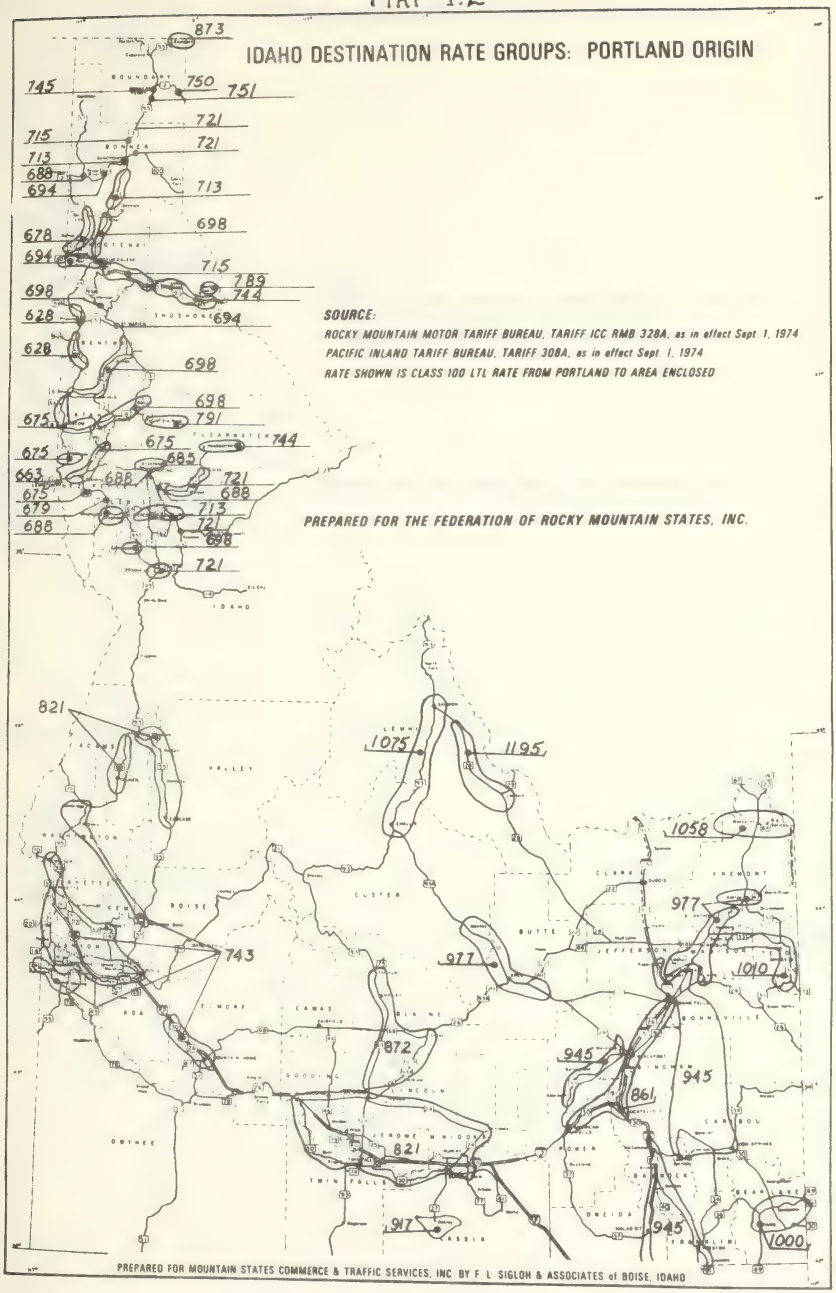
Rates from Portland and Spokane. Maps I.2 and I.3 present the rates from Portland and Spokane. The Pacific Inland tariffs applying to the northern part of the state seem to provide a thorough coverage of single-factor through rates to a large number of specific points. The mileage progression appears, from visual examination, to be reasonable.

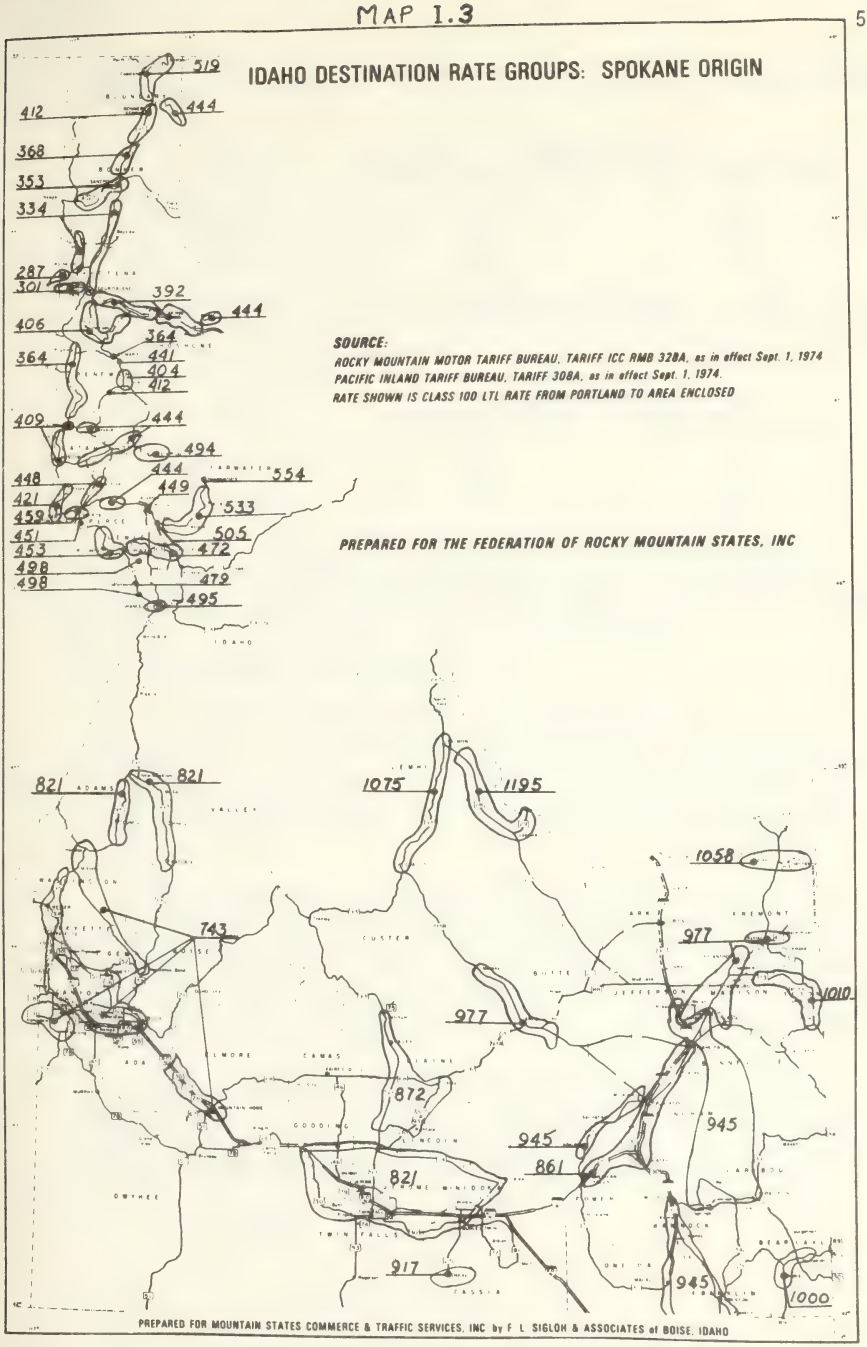
In the southern part of the state, where tariffs of the Rocky Mountain Bureau apply, the rates are shown as being exactly the same from both Portland and Spokane although Spokane is considerably closer to the area. This, too, may be the result of a situation discussed in the next section which may relate to the historical development of the Idaho highway system.

Comparison of the three Idaho maps reveals a near equality of rates from all three origins into the southeastern part of the state. For


IDAHO DESTINATION RATE GROUPS: DENVER ORIGIN
SOURCE
ROCKY MOUNTAIN MOTOR TARIFF BUREAU
TARIFF ICC RMB 334A, as in effect Sept. 1, 1974
TARIFF ICC RMB 521, as in effect Sept. 1, 1974.
RATE SHOWN IS CLASS 100 LTL RATE FROM DENVER TO THE AREA ENCLOSED
NOTE: THE BOX DESIGNATED BY A STAR ENCLOSES SEVERAL POINTS IN THREE DIFFERENT RATE GROUPS. GROUP NUMBERS W 210, W210A, & W212A
MOUNTAIN STATES COMMERCE & TRAFFIC SERVICES, INC
1152
1152
1152
1152
1272
1154
1120
1068
1038
1051
1068
1140
1020
1020
1020
1068
1068
960
971
971
926
926
926
926
1097
1097
1122
1122
926
BOUNDARY
BONNER
KOOTENAI
SHOSHONE
BENEWAH
CLEARWATER
LEWIS
IDAHO
ADAMS
VALLEY
WASHINGTON
PAYETTE
BOISE
ADA
ELMORE
CAMAS
BLAINE
CUSTER
LEMHI
GOODING
LINCOLN
JEROME
TWIN FALLS
CASSIA
ONEIDA
POWER
BANNOCK
BONNEVILLE
CLARK
FREMONT
BUTTE
OWYHEE
PREPARED FOR THE FEDERATION OF ROCKY MOUNTAIN STATES, INC.

MAP I.2


IDAHO DESTINATION RATE GROUPS: PORTLAND ORIGIN
SOURCE:
ROCKY MOUNTAIN MOTOR TARIFF BUREAU, TARIFF ICC RMB 328A, as in effect Sept. 1, 1974
PACIFIC INLAND TARIFF BUREAU, TARIFF 308A, as in effect Sept. 1, 1974
RATE SHOWN IS CLASS 100 LTL RATE FROM PORTLAND TO AREA ENCLOSED
PREPARED FOR THE FEDERATION OF ROCKY MOUNTAIN STATES, INC.
PREPARED FOR MOUNTAIN STATES COMMERCE & TRAFFIC SERVICES, INC BY F. L SIGLOH & ASSOCIATES of BOISE, IDAHO


IDAHO DESTINATION RATE GROUPS: SPOKANE ORIGIN
519
412
444
368
353
334
287
301
392
444
406
364
364
441
404
412
409
444
494
444
554
448
421
449
533
459
451
505
453
472
498
479
498
495
SOURCE:
ROCKY MOUNTAIN MOTOR TARIFF BUREAU, TARIFF ICC RMB 328A, as in effect Sept. 1, 1974
PACIFIC INLAND TARIFF BUREAU, TARIFF 308A, as in effect Sept. 1, 1974.
RATE SHOWN IS CLASS 100 LTL RATE FROM PORTLAND TO AREA ENCLOSED
PREPARED FOR THE FEDERATION OF ROCKY MOUNTAIN STATES, INC
821
821
1075
1195
1058
977
743
977
1010
872
945
945
861
821
917
945
1000
PREPARED FOR MOUNTAIN STATES COMMERCE & TRAFFIC SERVICES, INC by F. L. SIGLON & ASSOCIATES of BOISE, IDAHO

instance, the mileage/rate relationships to the town of Soda Springs are as follows:

From	To SODA SPRINGS Approximate Mileage	Class 100 LTL Rate
Denver	500	926
Portland	730	945
Spokane	600	945

Nearby points have similar rate and mileage situations with the exception of Pocatello and Idaho Falls, where some interesting market forces must have been at work. For example:

From	To IDAHO FALLS Approximate Mileage	Class 100 LTL Rate
Denver	600	960
Portland	700	861
Spokane	500	861

Thus, the indications of the data in the Idaho rate-group maps are that single-factor through rates are published to a limited number of points in the southern part of the state, but with a reasonably complete coverage of points in the northern part of the state.

The Arbitrary Rate Situation

As in other project study area states, rates to outlying non-rate-group points in Idaho must be constructed through the use of arbitraries and combinations of local rates. Because of fewer settlements, the situation is not as widespread as in Colorado. The non-rate-group picture is dominated, however, by a peculiar situation affecting some mid-state points. Therefore, Table I.1 is devoted entirely to a treatment of these points.

For many years, the economies of the northern and southern parts of the State of Idaho were effectively separated by the Clearwater Mountains and the Salmon River Mountains. Physical communication between the north and the south was over the highways of the State of Washington and early truck lines followed routes through that state. Some modern operations follow similar procedures which affect points located on Highway 95 between New Meadows and Lewiston.

Table I-1 shows the rates to some of these towns from Denver. Attention is directed to the fact that these rates are made over Lewiston plus a local rate from an Intermountain Tariff Bureau tariff. This, despite the fact that the points are south of Lewiston. The result is that the rates from Denver decrease as the mileage

increases. For illustration, certain rates from Table I.1 are excerpted here:

Point	Mileage from Denver	Class 100 LTL Rate
Pollock	962	1491
Riggins	970	1491
Grangeville	1022	1391
Cottonwood	1037	1375
Kamish	1049	1382
Craigmont	1053	1358
Spalding	1073	1308

This may raise a question of whether carriers should be required or allowed to go the long way around to reach these points when a shorter route is available.

Relation of Rates to Mileage

Tables I.2 and I.3 develop the relationship of rates to mileage for Idaho. Table I.3 arranges the representative points (from Chapter 1) and the non-rate-group points in ascending order of distance from Denver. With the exception of the discontinuities introduced by the points on Highway 95 discussed in the previous section, the rate/mileage progression is reasonably smooth. The working of the tapering principle is obvious. When the Highway 95 related points are eliminated from the table, the mileage/rate progression from Denver, as expressed in cents per hundred pounds per mile, is as follows:

Point	Miles from Denver	Cents per Mile
Idaho Falls	597	1.61
Pocatello	598	1.55
Blackfoot	617	1.56
Burley	648	1.55
Twin Falls	688	1.46
Boise	811	1.32
Nampa	831	1.35
Wallace	1031	1.12
Coeur d'Alene	1058	1.09
Lewiston	1085	1.06

This evidence demonstrates a continuing and uniform relationship between rates and mileage and tends to disprove Hypothesis 3 (See Chapter 4).

Montana

The third data set in our series is that for Montana. It consists of rate-group maps M.1, M.2, M.3 and Tables M.1, M.2, and M.3. As cited on the individual maps, Rocky Mountain Motor Tariff Bureau tariffs apply to this geographical area.

TABLE I.1

Class 100 LTL Rates from DENVER, COLORADO

to Typical Non-Rate-Group Points

in the State of IDAHO

Non-Rate-Group Point	Rate from Denver to Point or Rate Group Shown	Plus Rate Shown to Destination	Total Rate
Cottonwood	1152 to Lewiston	223 (c) ITB 21-A	1375
Craigmont	1152 to Lewiston	206 (c) ITB 21-A	1358
Grangeville	1152 to Lewiston	239 (c) ITB 21-A	1391
Kamiah	1152 to Lewiston	230 (c) ITB 21-A	1382
Orofino	1152 to Lewiston	206 (c) ITB 21 A	1358
Pierce	1152 to Lewiston	245 (c) ITB 21-A	1397
Pollock	1152 to Lewiston	339 (c) ITB 21-A	1491
Riggins	1152 to Lewiston	339 (c) ITB 21-A	1491
Spalding	1152 to Lewiston	156 (c) ITB 21-A	1308

(c)=Combination of Local Rates

Alphabetical List of Rate-Group and Non-Rate-Group Points*

in the State of IDAHO

Showing Mileage and Class 100 LTL Rates from DENVER

Point or Group	Miles	Rate
Blackfoot	617	960
Boise	811	1068
Burley	648	1007
Coeur d'Alene	1058	1152
Cottonwood	1037	1375
Craigmont	1053	1358
Grangeville	1022	1391
Idaho Falls	597	960
Kamiah	1049	1382
Lewiston	1085	1152
Nampa	831	1120
Orofino	1104	1358
Pierce	1094	1397
Pocatello	598	926
Pollock	962	1491
Riggins	970	1491
Spalding	1073	1308
Twin Falls	688	1007
Wallace	1031	1152

Source of Mileage: Mileage Guide No. 10, Arlington, Va.: Household Goods Carriers' Bureau, 1973. Mileage is the shortest main highway mileage between the points and does not necessarily reflect the authorized routes of certificated carriers.

*Does not include all points in the state.

TABLE I.3
Rate-Group and Non-Rate-Group Points in the State of IDAHO*
Arranged in Order of Mileage from DENVER and
Showing Class 100 LTL Rate from DENVER
with Bar Chart Comparing Cents per Hundredweight per Mile

(Points are NOT necessarily arranged in route order.)

POINT OR GROUP	MILES	RATE	CENTS PER HUNDRED POUNDS PER MILE 0 .25 .50 .75 1.00 1.25 1.50 1.75 2.00 2.25 2.50 2.75 3.00 3.25 3.50 3.75 4.00 4.25	
Idaho Falls	597	960		1.61
Pocatello	598	926		1.55
Blackfoot	617	960		1.56
Burley	648	1007		1.55
Twin Falls	688	1007		1.46
Boise	811	1068		1.32
Nampa	831	1120		1.35
Pollock	962	1491		1.55
Riggins	970	1491		1.54
Grangeville	1022	1391		1.36
Wallace	1031	1152		1.12
Cottonwood	1037	1375		1.33
Kamiah	1049	1382		1.32
Craigmont	1053	1358		1.29
Coeur d'Alene	1058	1152		1.09
Spalding	1073	1308		1.22
Lewiston	1085	1152		1.06
Pierce	1094	1397		1.28
Orofino	1104	1358		1.23

*Does not include all points in the state.

Through-Rate and Rate-Group Situation

The Montana rate-group maps bear out the contention of Hypothesis 1 that rates are published to a limited number of groups. The rate groups in Montana are widely spaced with vast expanses of the state between them. The population of the non-rate-group areas is extremely sparse.

Rates from Bismarck. Attention is directed to Map M.1 which shows the Class 100 LTL rates from Bismarck, North Dakota, to Montana rate groups. Although these rate groups do not cover, altogether, a large area of the state, the rate progression is reasonably consistent. Two items are noted.

Item: The rate group in the vicinity of Miles City carries a rate of 664 cents per hundred pounds. The adjacent group near Forsyth carries a rate of 1017. This is a relatively large increase as between contiguous rate groups.

Item: The rates progress to a level of 1234 cents at the western extreme of the state. However, in the south central border at Emigrant and Gardiner, there is a group carrying a rate of 1238 with lower rated groups to the west of it.

Rates from Denver. Special attention is directed to Map M.2 showing rates from Denver as Denver was chosen as the major market origin for subsequent analyses.

Item: Note inconsistency of rate progression in the southeast corner of the state with intermixing of higher- and lower-rated groups.

Item: Attention is directed, for later reference, to the highest rate in the northeast portion of the state, being 1315 cents at Glasgow. Note should be taken that Scobey and Plentywood are not in a rate group.

Rates from Spokane. Map M.3 presents rate groups and rates between Spokane and Montana points. Rate progression is reasonably consistent with the possible exception of the groups in the vicinity of Dillon and Virginia City (southwest portion). Groups are elongated along major highways.

The Arbitrary Rate Situation

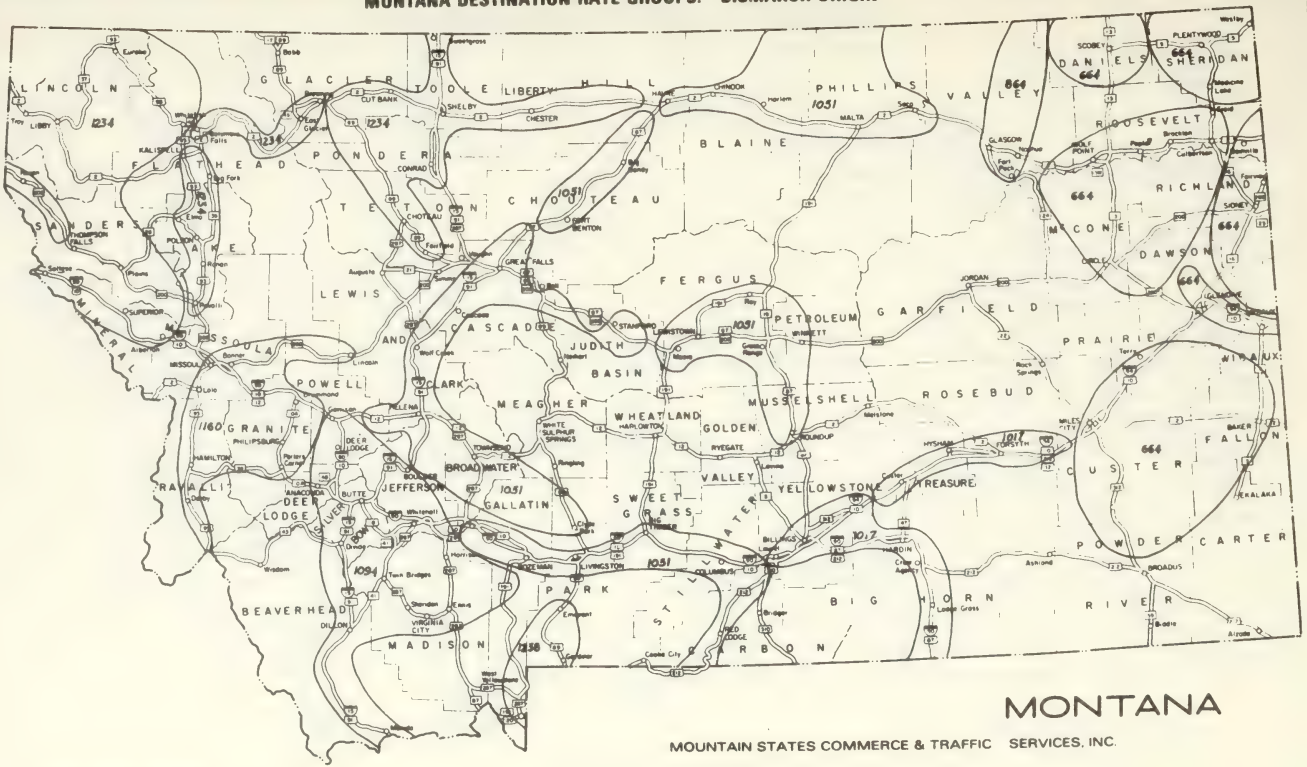
Attention is now directed to Table M.1, which shows how rates to non-rate-group points in Montana are made up. Again the towns shown are but a sample of points around the state which are not in groups taking single-factor through rates from Denver.

Eleven non-rate-group Montana points are shown in Table M.1. The combination rates shown are typical of those sampled throughout the study. The points of Froid, Medicine Lake, Plentywood and Scobey are of special interest because of the relatively high total rates shown (2029 cents per hundred pounds). This is because they are served out of Williston, North Dakota, and the rate breaks over this point. Reference

(Text continued on page 5.30)

MAP M.1

MONTANA DESTINATION RATE GROUPS: BISMARCK ORIGIN



MONTANA

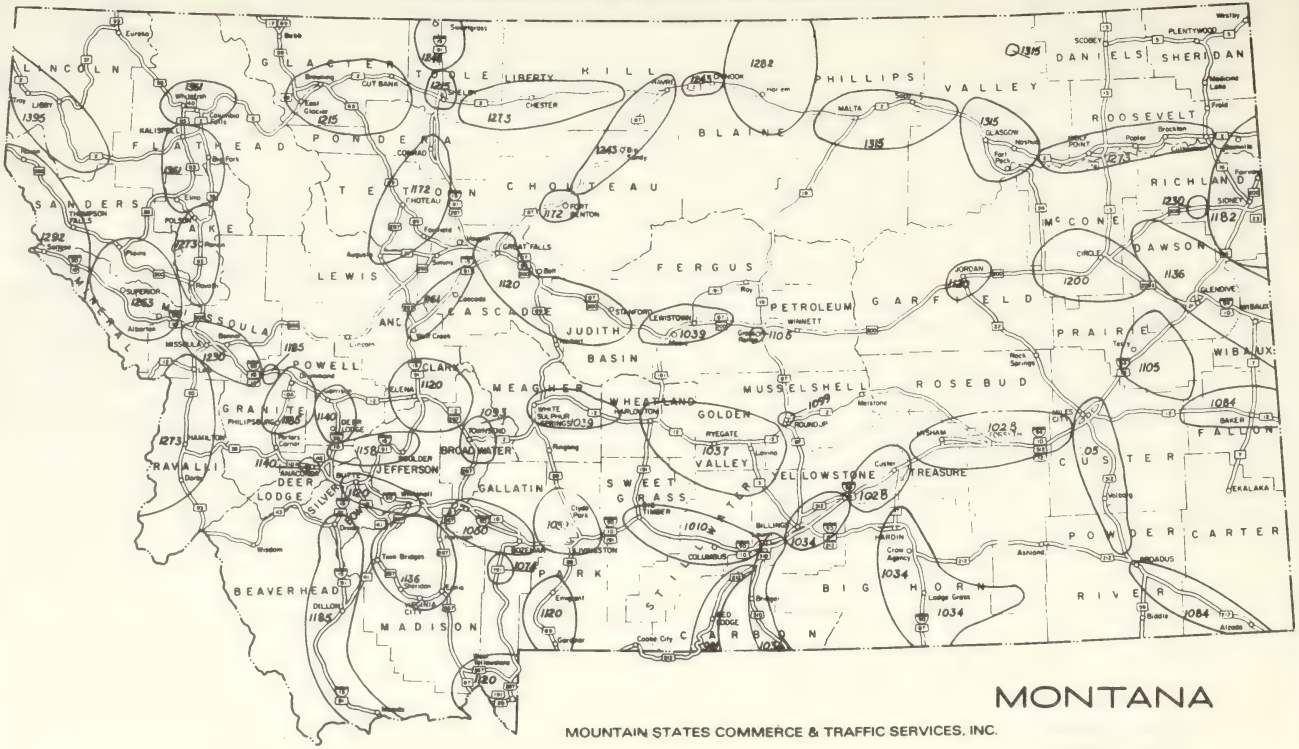
MOUNTAIN STATES COMMERCE & TRAFFIC SERVICES, INC.

SOURCE: ROCKY MOUNTAIN MOTOR TARIFF BUREAU
TARIFF ICC RMMB 128 as in effect on September 1, 1974
RATE SHOWN IS CLASS 100 LESS THAN TRUCKLOAD RATE FROM BISMARCK TO AREA ENCLOSED

PREPARED FOR THE FEDERATION OF ROCKY MOUNTAIN STATES, INC

MAP M.2

MONTANA DESTINATION RATE GROUPS: DENVER ORIGIN



MOUNTAIN STATES COMMERCE & TRAFFIC SERVICES, INC.

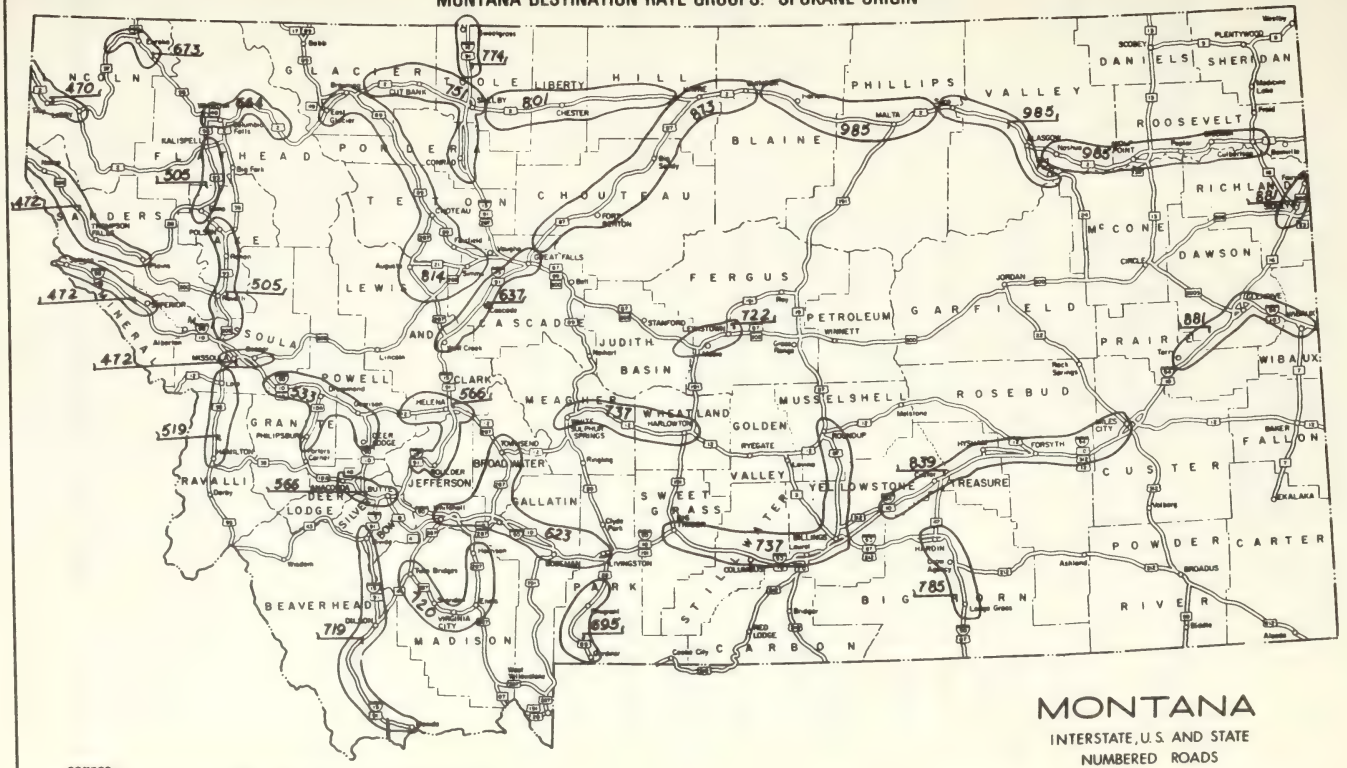
SOURCE: ROCKY MOUNTAIN MOTOR TARIFF BUREAU
TARIFF ICC RMB 3046, as in effect on September 1, 1974
RATE SHOWN IS CLASS 100 LESS THAN TRUCKLOAD RATE FROM DENVER TO AREA ENCIRCLED

PREPARED FOR THE FEDERATION OF ROCKY MOUNTAIN STATES, INC.

5.25

MAP M.3

MONTANA DESTINATION RATE GROUPS: SPOKANE ORIGIN



MONTANA

INTERSTATE, U.S. AND STATE
NUMBERED ROADS

SOURCE

ROCKY MOUNTAIN MOTOR TARIFF BUREAU, TARIFF ICC RMB 327A, as in effect, Sept. 1, 1974.
RATE SHOWN IS CLASS 100 LTL RATE FROM SPOKANE TO AREA ENCLOSED

PREPARED FOR THE FEDERATION OF ROCKY MOUNTAIN STATES, INC.

PREPARED FOR MOUNTAIN STATES COMMERCE & TRAFFIC SERVICES, INC by F. L. SHILOH ASSOCIATES of BOISE, IDAHO

Class 100 LTL Rates from DENVER, COLORADO

to Typical Non-Rate-Group Points

in the State of MONTANA

Non-Rate-Group Point	Rate from Denver to Point or Rate Group Shown	Plus Rate Shown to Destination	Total Rate
Ashland	985 to Billings	213 (a) Item 1480 RMB 304-A	1198
Belt	1120 to Great Falls	106 (a) Item 1490 RMB 304-A	1226
Eureka	1351 to Kalispell	173 (c) PITB 20-A	1524
Froid	1502 to Williston, N.D.	527 (c) RMB 521	2029
Heath	1038 to Lewiston	43 (f) Item 1590 RMB 304-A	1081
Medicine Lake	1502 to Williston, N.D.	527 (c) RMB 521	2029
Melstone	985 to Billings	205 (c) PITB 20-A	1190
Moccasin	1120 to Great Falls	227 (a) Item 1490 RMB 304-A	1347
Plentywood	1502 to Williston, N.D.	527 (c) RMB 521	2029
Scobey	1502 to Williston, N.D.	527 (c) RMB 521	2029
Vaughn	1120 to Great Falls	106 (a) Item 1490 RMB 304-A	1226
Winnett			

(a)=Arbitrary Class Rate (c)=Combination of Local Rates (f)=Flat Arbitrary

Alphabetical List of Rate-Group and Non-Rate-Group Points*

in the State of MONTANA

Showing Mileage and Class 100 LTL Rates from DENVER

Point or Group	Miles	Rate
Ashland	476	1198
Belt	760	1226
Billings	555	1034
Bozeman	695	1050
Butte	778	1120
Eureka	1065	1524
Froid	689	2029
Glasgow	709	1315
Great Falls	781	1120
Havre	856	1243
Heath	680	1081
Helena	781	1120
Kalispell	1011	1361
Melstone	643	1190
Medicine Lake	700	2029
Miles City	515	1105
Missoula	891	1230
Moccasin	699	1347
Plentywood	721	2029
Scobey	764	2029
Vaughn	794	1226

Source of Mileage: Mileage Guide No. 10, Arlington, Va.: Household Goods Carriers' Bureau, 1973. Mileage is the shortest main highway mileage between the points and does not necessarily reflect the authorized routes of certificated carriers.

*Does not include all points in the state.

TABLE M.3

Rate-Group and Non-Rate-Group Points in the State of MONTANA*
Arranged in Order of Mileage from DENVER and
Showing Class 100 LTL Rate from DENVER
with Bar Chart Comparing Cents per Hundredweight per Mile

(Points are NOT necessarily arranged in route order.)

POINT OR GROUP	MILES	RATE	CENTS PER HUNDRED POUNDS PER MILE	
			0 .25 .50 .75 1.00 1.25 1.50 1.75 2.00 2.25 2.50 2.75 3.00 3.25 3.50 3.75 4.00 4.25	
Ashland	476	1198		2.52
Miles City	515	1105		2.15
Billings	555	1034		1.86
Melstone	643	1190		1.85
Heath	680	1081		1.59
Froid	689	2029		2.94
Bozeman	695	1050		1.51
Moccasin	699	1347		1.51
Medicine Lake	700	2029		2.90
Glasgow	709	1315		1.85
Plentywood	721	2029		2.81
Belt	760	1226		1.61
Scobey	764	2029		2.66
Butte	778	1120		1.44
Great Falls	781	1120		1.43
Helena	781	1120		1.43
Vaughn	794	1226		1.54
Havre	856	1243		1.45
Missoula	891	1230		1.38
Kalispell	1011	1361		1.35
Eureka	1065	1524		1.43

*Does not include all points in the state.

to mileage figures on Table M.2, however, shows that these towns are about the same distance from Denver as Glasgow, which takes a rate of 1315 cents.

Relationship of Rates to Mileage

Table M.3 presents the Montana representative points (Chapter 1) and the Montana non-rate-group points in ascending order of distance from Denver. Very much like the Idaho table (Table I.3), it reveals the working of the tapering principle except when one of the abnormally high-rated points mentioned above intervenes in the series.

It should be noted that the construction of rates through the use of arbitraries or combinations of locals does not necessarily interrupt the tapering of the rates unless a significantly high rate results from the combination.

This table again both confirms and refutes the position of Hypothesis 3 regarding continuing and uniform rate/mileage relationships.

Nebraska

Maps Neb.1, Neb.2, and Neb.3 present rates from the origins of Chicago, Dallas, and Salt Lake City, respectively. The rates from Chicago and Dallas are found in tariffs of the Middlewest Motor Freight Bureau as cited on the maps; the rates from Los Angeles are from Rocky Mountain Motor Bureau tariffs.

Through-Rate and Rate-Group Situation

The maps for Nebraska present a remarkably different situation from those other states which have been reviewed so far. Some comments are made about each map.

Rates from Chicago. Examination of Map Neb.1 reveals that all of the rate groups from Chicago are contiguous. There are no non-rate-group points on the map. This indicates that, in effect, single-factor through rates are published from Chicago to all points in Nebraska. There are many points in the state which are not listed in the pertinent tariff. Rates to these towns would be made by intermediate application (see discussion in Chapter 4 and Exhibit 4.11, which is Item 148 of Middlewest Tariff 40-D). This situation, of course, completely refutes Hypothesis 1 as set forth in Chapter 4.

Rates from Dallas. Reference to Map Neb.2 shows that a very similar situation applies from the Dallas origin.

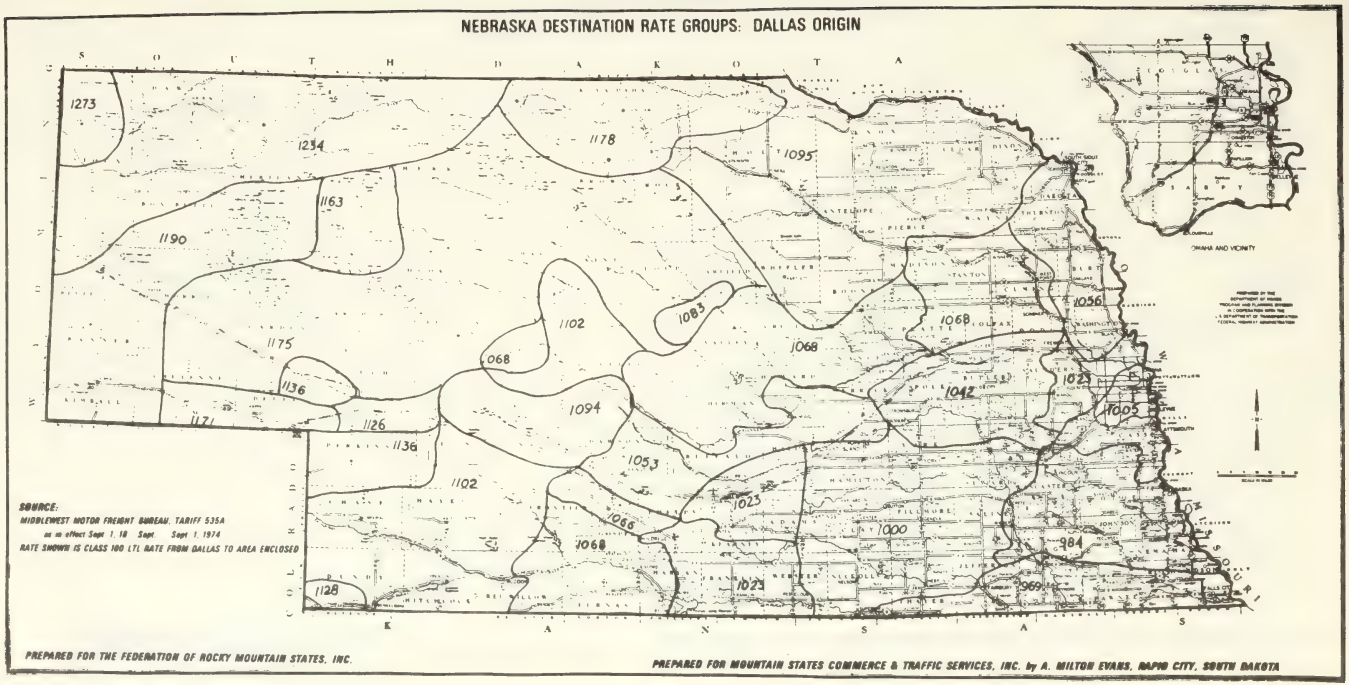
Rates from Salt Lake City. The rates and rate groups shown on Map Neb.3 are, as stated, from a Rocky Mountain Motor Bureau tariff but present a picture very different from other Rocky Mountain tariffs examined. Only seven rate groups are indicated for the entire state, and four of these are contiguous. One huge rate group covers the whole central part

(Text continued on page 5.36)

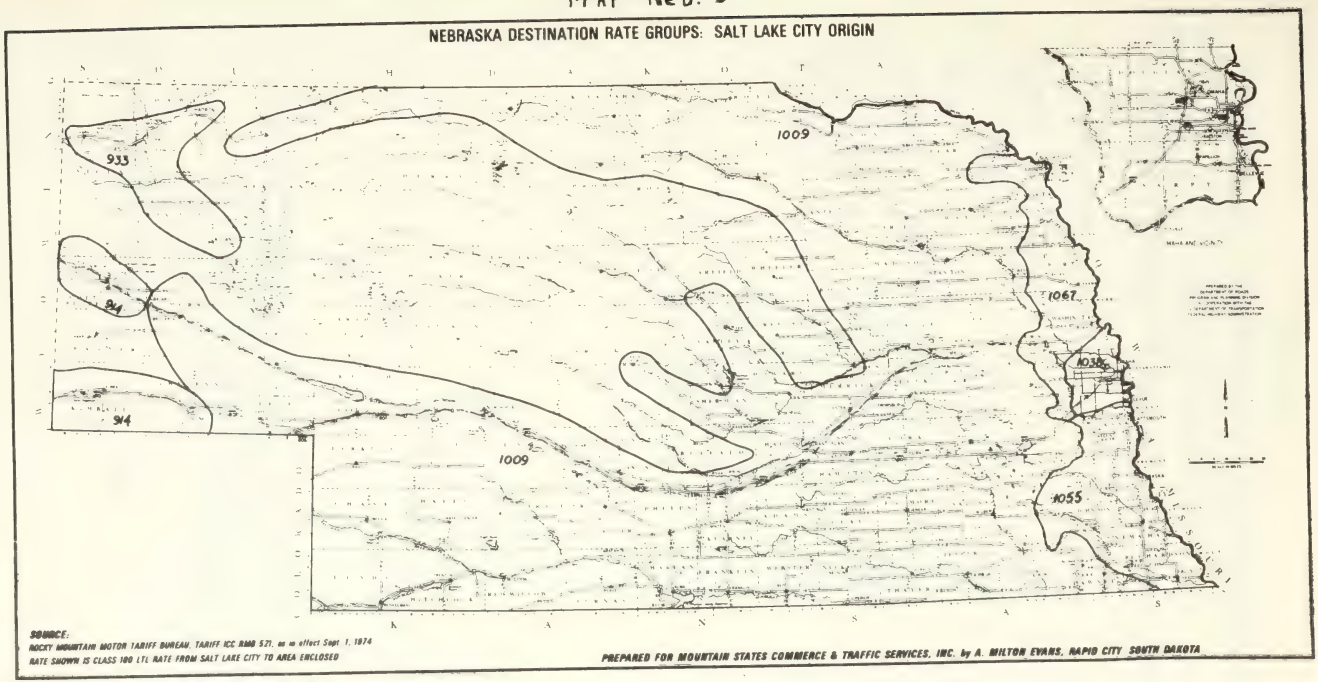
MAP Neb. 1

NEBRASKA DESTINATION RATE GROUPS: CHICAGO ORIGIN
SOUTH DAKOTA
WYOMING
COLORADO
KANSAS
1196
1274
1287
1238
1143
1077
1066
1012
907
903
905
1066
1023
956
1091
1184
1143
1131
1038
983
970
1171
1012
1151
1091
983
1023
956
1274
1212
1196
1143
1038
1038
OMAHA AND VICINITY
SOURCE:
MIDDLEWEST MOTOR FREIGHT BUREAU TARIFF 502A, as in effect Sept. 1, 1974
RATE SHOWN IS CLASS 100 LTL RATE FROM CHICAGO TO AREA ENCLOSED
PREPARED FOR THE FEDERATION OF ROCKY MOUNTAIN STATES, INC.
PREPARED FOR MOUNTAIN STATES COMMERCE & TRAFFIC SERVICES, INC. by A. MILTON EVANS, RAPID CITY, SOUTH DAKOTA

MAP Neb.2


NEBRASKA DESTINATION RATE GROUPS: DALLAS ORIGIN
SOUTH DAKOTA
COLORADO
KANSAS
MISSOURI
1273
1234
1178
1095
1163
1190
1102
1083
1175
068
1068
1136
1094
1042
1023
1171
1126
1136
1053
1005
1102
1023
1066
1000
1068
984
1128
1023
969
OMAHA AND VICINITY
1056
SOURCE:
MIDWESTWEST MOTOR FREIGHT BUREAU, TARIFF 535A
as in effect Sept 1, 18 Sept Sept 1, 1974
RATE SHOWN IS CLASS 100 LTL RATE FROM DALLAS TO AREA ENCLOSED
PREPARED FOR THE FEDERATION OF ROCKY MOUNTAIN STATES, INC.
PREPARED FOR MOUNTAIN STATES COMMERCE & TRAFFIC SERVICES, INC. by A. MILTON EVANS, RAPID CITY, SOUTH DAKOTA

MAP Neb. 3


NEBRASKA DESTINATION RATE GROUPS: SALT LAKE CITY ORIGIN
933
914
914
1009
1009
1067
1038
1055
SOURCE:
ROCKY MOUNTAIN MOTOR TARIFF BUREAU, TARIFF ICC RMB 571, as in effect Sept. 1, 1974
RATE SHOWN IS CLASS 100 LTL RATE FROM SALT LAKE CITY TO AREA ENCLOSED
PREPARED FOR MOUNTAIN STATES COMMERCE & TRAFFIC SERVICES, INC. by A. MILTON EVANS, RAPID CITY SOUTH DAKOTA

PREPARED FOR THE FEDERATION OF ROCKY MOUNTAIN STATES, INC.

Alphabetical List of Rate-Group and Non-Rate-Group Points*

in the State of NEBRASKA

Showing Mileage and Class 100 LTL Rates from CHICAGO

Point or Group	Miles	Rate
Columbus	536	956
Fremont	491	905
Grand Island	596	1012
Hastings	617	1012
Kearney	638	1038
Lincoln	516	916
Norfolk	528	970
North Platte	734	1171
Omaha	459	865
Scottsbluff	910	1287

Source of Mileage: Mileage Guide No. 10, Arlington, Va.: Household Goods Carriers' Bureau, 1973. Mileage is the shortest main highway mileage between the points and does not necessarily reflect the authorized routes of certificated carriers.

*Does not include all points in the state.

TABLE Neb.2 NEBRASKA

Rate-Group and Non-Rate-Group Points in the State of Nebraska*
Arranged in Order of Mileage from CHICAGO and
Showing Class 100 LTL Rate from CHICAGO
with Bar Chart Comparing Cents per Hundredweight per Mile

(Points are NOT necessarily arranged in route order.)

POINT OR GROUP	MILES	RATE	CENTS PER HUNDRED POUNDS PER MILE 0 .25 .50 .75 1.00 1.25 1.50 1.75 2.00 2.25 2.50 2.75 3.00 3.25 3.50 3.75 4.00 4.25	
Omaha	459	865		1.88
Fremont	491	905		1.84
Lincoln	516	916		1.78
Norfolk	528	970		1.84
Columbus	536	956		1.78
Grand Island	596	1012		1.70
Hastings	617	1012		1.64
Kearney	638	1038		1.63
North Platte	734	1171		1.60
Scottsbluff	910	1287		1.41

*Does not include all points in the state.

of the state. Again, points are frequently not listed, but the intermediate application rule of the tariff (See Exhibit 4.7 in Chapter 4, which is Item 577 of Rocky Mountain Motor Tariff Bureau Tariff 521, formerly 21-C) makes these points ratable in the rate groups shown (provided carrier route structure allows it).

We must conclude from this data that in reference to the State of Nebraska Hypothesis 1 is false and that single-factor through rates do, in fact, apply to virtually all points.

The Arbitrary Situation

For Nebraska, no table of rates to typical non-rate-group points has been included because there are, essentially, no such points. The wide coverage of rate groups and utilization of the intermediate application principle has made the excessive use of arbitrary rates a moot case in Nebraska. This possibly demonstrates that the same result could be achieved elsewhere as well.

Relationship of Rates to Mileage

Because of the absence of the table of non-rate-group points, Tables Neb.1 and Neb.2 depict the alphabetical and distance arrangements only for the representative points for Nebraska (see Chapter 1). The bar chart in Table Neb.2 shows a very orderly progression of rates by mileage and a moderate working of the tapering principle.

For the State of Nebraska, we must gather that the data indicate that all three hypotheses set forth in Chapter 4 are essentially false.

New Mexico

Each of the data sets examined so far has displayed certain unique qualities. The maps, numbered NM.2, NM.2, and NM.3, and accompanying tables illustrate certain characteristics peculiar to New Mexico. The origins utilized were Casper, Wyoming, from which a Rocky Mountain Bureau tariff applies as cited; Kansas City, from which a Middlewest Bureau tariff applies; and Phoenix, Arizona, again covered by a Rocky Mountain tariff. Tariff numbers are referenced on the maps.

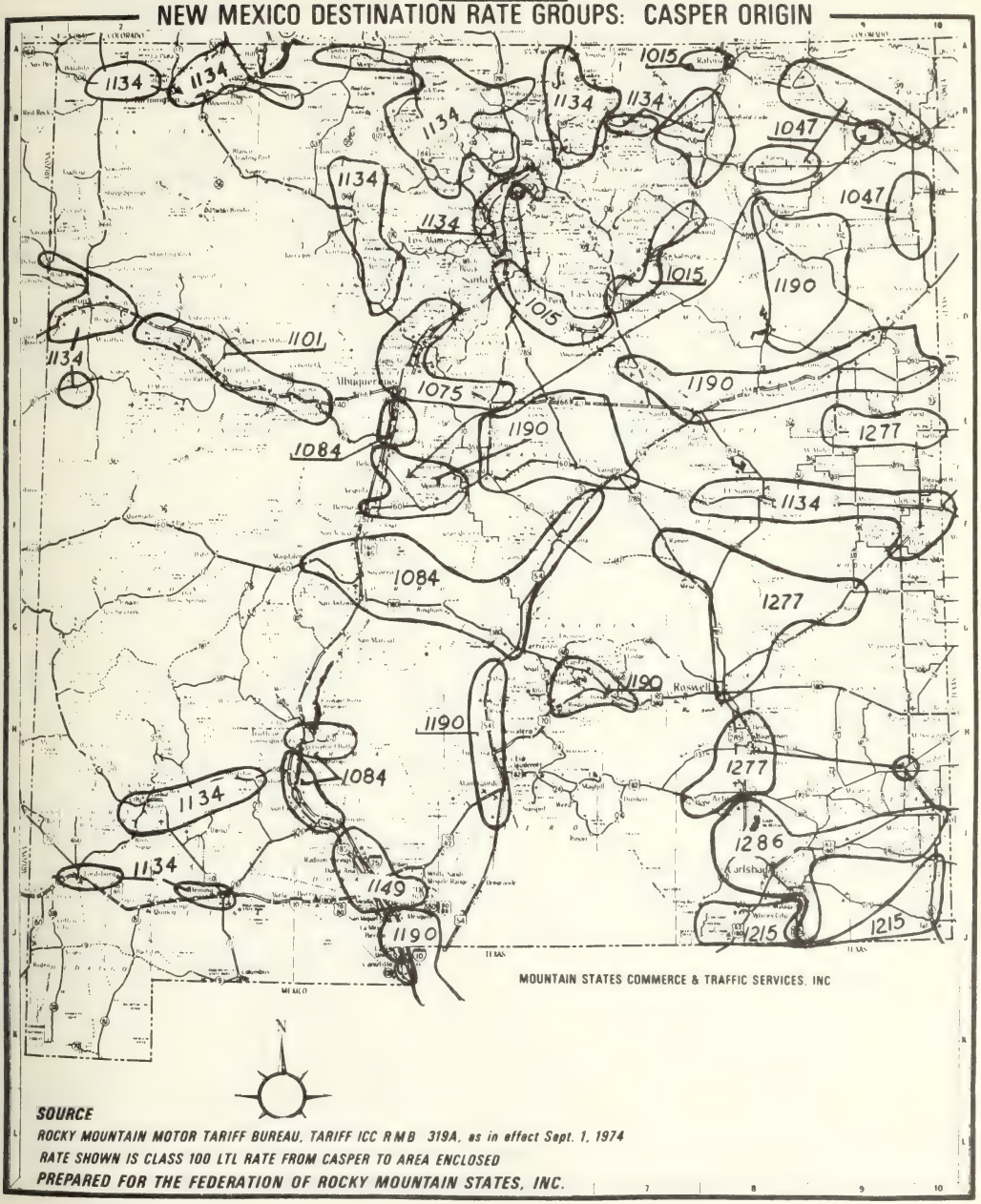
Through-Rate and Rate-Group Situation

Examination of the New Mexico maps bears out the contention of Hypothesis 1 that single-factor through rates are published only to a limited number of rate groups. Study of the situation reveals, however, that few arbitrary rates are used to reach non-rate-group points. This differs somewhat in the case of each origin considered.

Rates from Casper. Map NM.1 displays a large number of fairly widely separated rate groups. These groups mostly have a linear shape along the highways. There are, however, very few points in between the

MAP NM.1

NEW MEXICO DESTINATION RATE GROUPS: CASPER ORIGIN



SOURCE

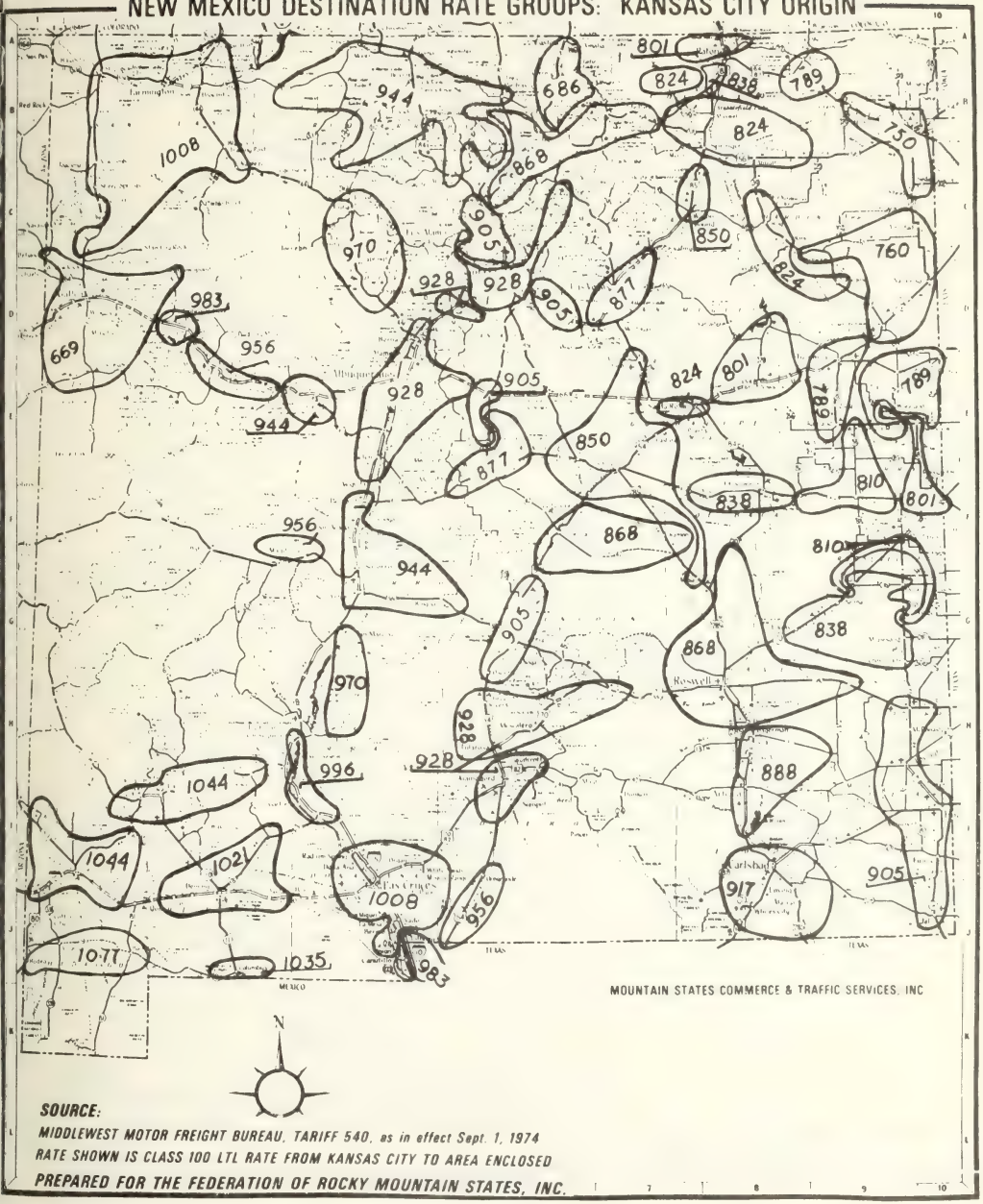
ROCKY MOUNTAIN MOTOR TARIFF BUREAU, TARIFF ICC RMB 319A, as in effect Sept. 1, 1974

RATE SHOWN IS CLASS 100 LTL RATE FROM CASPER TO AREA ENCLOSED

PREPARED FOR THE FEDERATION OF ROCKY MOUNTAIN STATES, INC.

MAP NM.2

NEW MEXICO DESTINATION RATE GROUPS: KANSAS CITY ORIGIN



MOUNTAIN STATES COMMERCE & TRAFFIC SERVICES, INC

SOURCE:

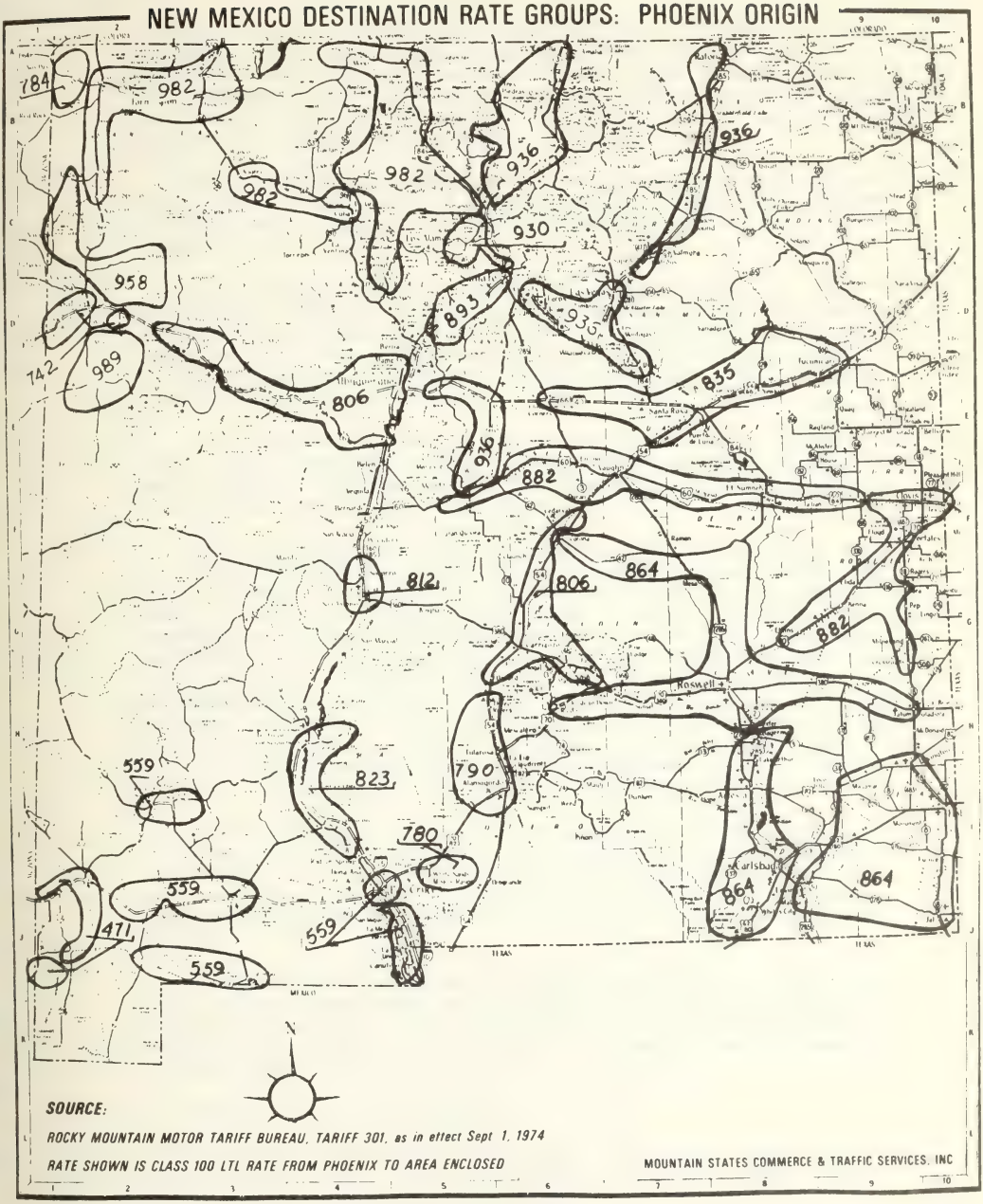
MIDDLEWEST MOTOR FREIGHT BUREAU, TARIFF 540, as in effect Sept. 1, 1974

RATE SHOWN IS CLASS 100 LTL RATE FROM KANSAS CITY TO AREA ENCLOSED

PREPARED FOR THE FEDERATION OF ROCKY MOUNTAIN STATES, INC.

MAP NM.3

NEW MEXICO DESTINATION RATE GROUPS: PHOENIX ORIGIN



SOURCE:

ROCKY MOUNTAIN MOTOR TARIFF BUREAU, TARIFF 301, as in effect Sept. 1, 1974

RATE SHOWN IS CLASS 100 LTL RATE FROM PHOENIX TO AREA ENCLOSED

MOUNTAIN STATES COMMERCE & TRAFFIC SERVICES, INC

PREPARED FOR THE FEDERATION OF ROCKY MOUNTAIN STATES, INC

rate groups, and the rate groups pretty well cover important towns in the state. To unnamed points, rates may be made quite extensively by intermediate application. However, as in most Rocky Mountain Bureau tariffs, intermediate application applies only to shipments of over 500 pounds or which are rated over 500 pounds. See Exhibit 4.4 in Chapter 4, which is Item 577 of Rocky Mountain Bureau Tariff 319A.

Rates from Casper progress in reasonably logical order in reference to distance. However, it will be noted that the Cimarron group rated at 1134 intervenes between the Raton and Las Vegas groups, which are rated 1015.

Rates from Kansas City. Map NM.2 shows rate groups applicable from Kansas City. They are somewhat "fatter" than the groups on Map NM.1 and leave some area uncovered. Since this is a Middlewest Motor Freight Bureau tariff, however, intermediate application carries no weight restriction and rates may be made to all unnamed points if the appropriate carrier goes there.

Rate/mileage relationships from Kansas City are again logical. Rates in the northwestern corner of the state may seem relatively high. Carriers, however, enter the state from the northeast and proceed in a northwesterly direction to subject area.

Rates from Phoenix. Rates from the Phoenix origin are shown on Map NM.3 and are taken from a Rocky Mountain Motor Bureau tariff. This tariff displays certain differences from some other Rocky Mountain Bureau tariffs. This may be due to the fact that it was originally designed by the Interstate Freight Carriers Conference of Los Angeles, which was absorbed by the Rocky Mountain Bureau. The intermediate application rule in this tariff, as in other tariffs of the same bureau, applies only on shipments of over 500 pounds or which are rated at more that 500 pounds. The rule is, however, tied into the geographical list of points of the tariff (these pages are included in Exhibit 4.1 in Chapter 4). This list of points clearly establishes to what town any unnamed point is intermediate. Such geographic lists are uncommon in Rocky Mountain tariffs.

The rate progression from Phoenix, again, is logical except for fairly high rated points in the northwest part of the state. This is accounted for by the practice of the carriers' breaking bulk at Albuquerque and then, more or less, backhauling to this area. Of course, sparse population and rugged terrain also make delivery in this area expensive.

From an examination of the New Mexico maps one must conclude that single-factor through rates are published only to a limited number of rate groups, but that these cover a major portion of the economically important points in the state. This is borne out by the low number of arbitrary rates used.

The Arbitrary Rate Situation

Attention is directed to Table NM.1. Kansas City was selected as a major market origin. Whereas arbitraries are used in other project

Class 100 LTL Rates from KANSAS CITY, MISSOURI

to Typical Non-Rate-Group Points

in the State of NEW MEXICO

Non-Rate-Group Point	Rate from Kansas City to Point or Rate Group Shown	Plus Rate Shown to Destination	Total Rate
Ambrosia Lake vicinity	956 to Grant	120 (a) Item 261 MWB 120	1076
Arizona Public Service Commission (near Fruitland)	1008 to Farmington	137 (a) Item 262 MWB 120	1145
Duval Sulphur and Potash Co.	917 to Carlsbad	42 (a) Item 264 MWB 120	959
Los Alamos	928 to Santa Fe	33 (a) Item 267 MWB 120	961
New Mexico State Penitentiary	928 to Santa Fe	49 (a) Item 268 MWB 120	977
White Sands Missile Range Cantonment Area	1008 to Las Cruces	41 (a) Item 270 MWB 120	1049
Other than Cantonment Area	1008 to Las Cruces	197 (a) Item 270 MWB 120	1205

(a)=Arbitrary Class Rate

TABLE NM-2 NEW MEXICO

Alphabetical List of Rate-Group and Non-Rate-Group Points*

in the State of NEW MEXICO

Showing Mileage and Class 100 LTL Rates from KANSAS CITY, MO.

Point or Group	Miles	Rate
Alamogordo	845	928
Albuquerque	782	928
Ambrosia Lake Vicinity	880	1076
Arizona Public Service Commission (near Fruitland)	883	1145
Carlsbad	828	917
Clovis	651	801
Duval Sulphur and Potash Company	853	959
Espanola	755	905
Farmington	868	1008
Gallup	922	996
Hobbs	768	905
Las Cruces	914	1008
Los Alamos	772	961
New Mexico State Penitentiary	763	977
Roswell	762	868
Santa Fe	752	928
White Sands Missile Range		
Cantonment Area	892	1049
Other than Cantonment Area	942	1205

Source of Mileage: Mileage Guide No. 10, Arlington, Va.: Household Goods Carriers' Bureau, 1973. Mileage is the shortest main highway mileage between the points and does not necessarily reflect the authorized routes of certificated carriers.

*Does not include all points in the state.

TABLE NM.3

Rate-Group and Non-Rate-Group Points in the State of NEW MEXICO*
Arranged in Order of Mileage from KANSAS CITY and
Showing Class 100 LTL Rate from KANSAS CITY
with Bar Chart Comparing Cents per Hundredweight per Mile

(Points are NOT necessarily arranged in route order.)

POINT OR GROUP	MILES	RATE	CENTS PER HUNDRED POUNDS PER MILE 0 .25 .50 .75 1.00 1.25 1.50 1.75 2.00 2.25 2.50 2.75 3.00 3.25 3.50 3.75 4.00 4.25	
Clovis	651	801		1.23
Santa Fe	752	928		1.23
Espanola	755	905		1.20
Roswell	762	868		1.14
New Mexico State Penitentiary	763	977		1.28
Hobbs	768	905		1.18
Los Alamos	772	961		1.24
Albuquerque	782	928		1.19
Carlsbad	828	917		1.11
Alamogordo	845	928		1.10
Duval Sulphur and Potash Company	853	959		1.12
Farmington	863	1008		1.16
Ambrosia Lake Vicinity	880	1076		1.22
Arizona Public Service Commission(near Fruitland)	883	1145		1.30
White Sands Missile Range (Cantonment Area)	892	1049		1.18
Las Cruces	914	1008		1.10
Gallup	922	996		1.08
White Sands Missile Range - Other than Cantonment Area	942	1205		1.28

*Does not include all points in the state.

study area states (except Colorado) to make rates to towns not located in rate groups, they are used in New Mexico to make rates to places which are located in a rate group but in an outlying area or an area of difficult access. Also, many of the points affected by arbitraries are industrial sites. Seven points taking arbitraries are shown on the table; all are, in a sense, industrial in nature.

Thus, in New Mexico arbitraries are used somewhat differently than in other states reviewed so far, and, probably, in a justifiable way to cover cost situations.

Relationship of Rates to Mileage

Tables NM.2 and NM.3 establish the rate/mileage relationship for New Mexico. Examination of the bar graph shows a very smooth progression over distance except for seven points. Investigation reveals that these are the seven arbitrary points from Table NM.1. These are higher because they are rated to a basic rate group and then given an additional charge because of accessibility problems.

North Dakota

The map origins chosen for North Dakota are Denver, Great Falls, and Minneapolis. The rates from Denver and Minneapolis are found in Middlewest Motor Freight Bureau tariffs while those from Great Falls are found in a Rocky Mountain Bureau tariff as cited on the maps numbered ND.1, ND.2, and ND.3. Minneapolis was chosen as the major market origin for presentation in the tables of the data set.

Through-Rate and Rate-Group Situation

Maps ND.1 and ND.2 bear out the contention of Hypothesis 1 that through rates are published only to a limited number of rate groups. Map ND.3, however, displays a pattern very similar to some of the Nebraska maps where the state is blanketed with rate groups. As usual, the state has its own idiosyncrasies, however. A short comment is made about each map.

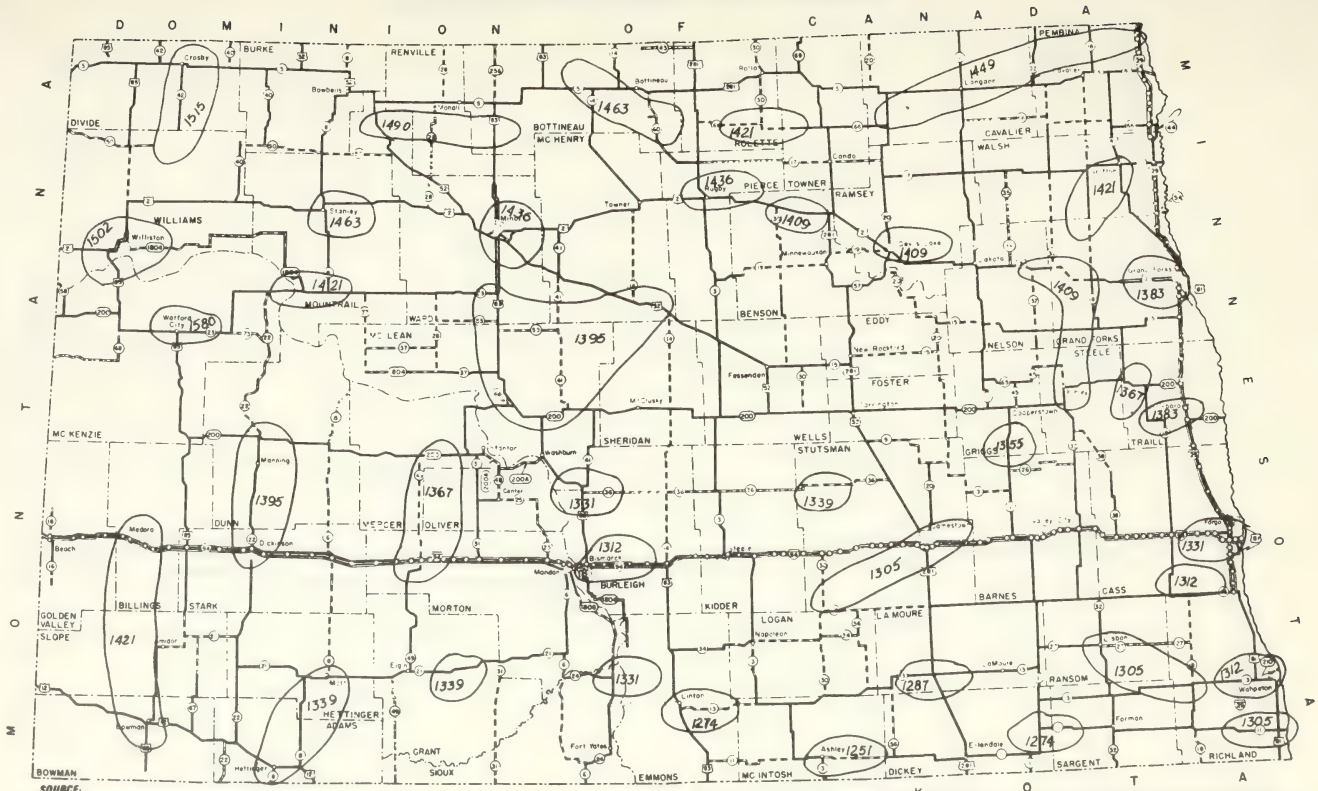
Rates from Denver. Map ND.1 displays a rate-group pattern which seems uncommon for Middlewest Bureau tariffs. As can be seen, there is a large number of very small rate groups. The progression of these also seems to indicate that the carriers enter the state in the southeast central portion, which is not the closest possible point of entry from Denver.

Rates from Great Falls. Map ND.2 displays a pattern typical of Rocky Mountain Bureau tariffs with the rate groups deployed along main highways. Basically, only two rates are shown: 1051 to points which are apparently easily accessible and 1089 to places more difficult to reach. The distance from Montana to North Dakota may be uncommonly short for the great degree of averaging (and no tapering effect) in the 1051 rate group which extends entirely across the state.

(Text continued on page 5.51)

MAP ND.1

NORTH DAKOTA DESTINATION RATE GROUPS: DENVER ORIGIN



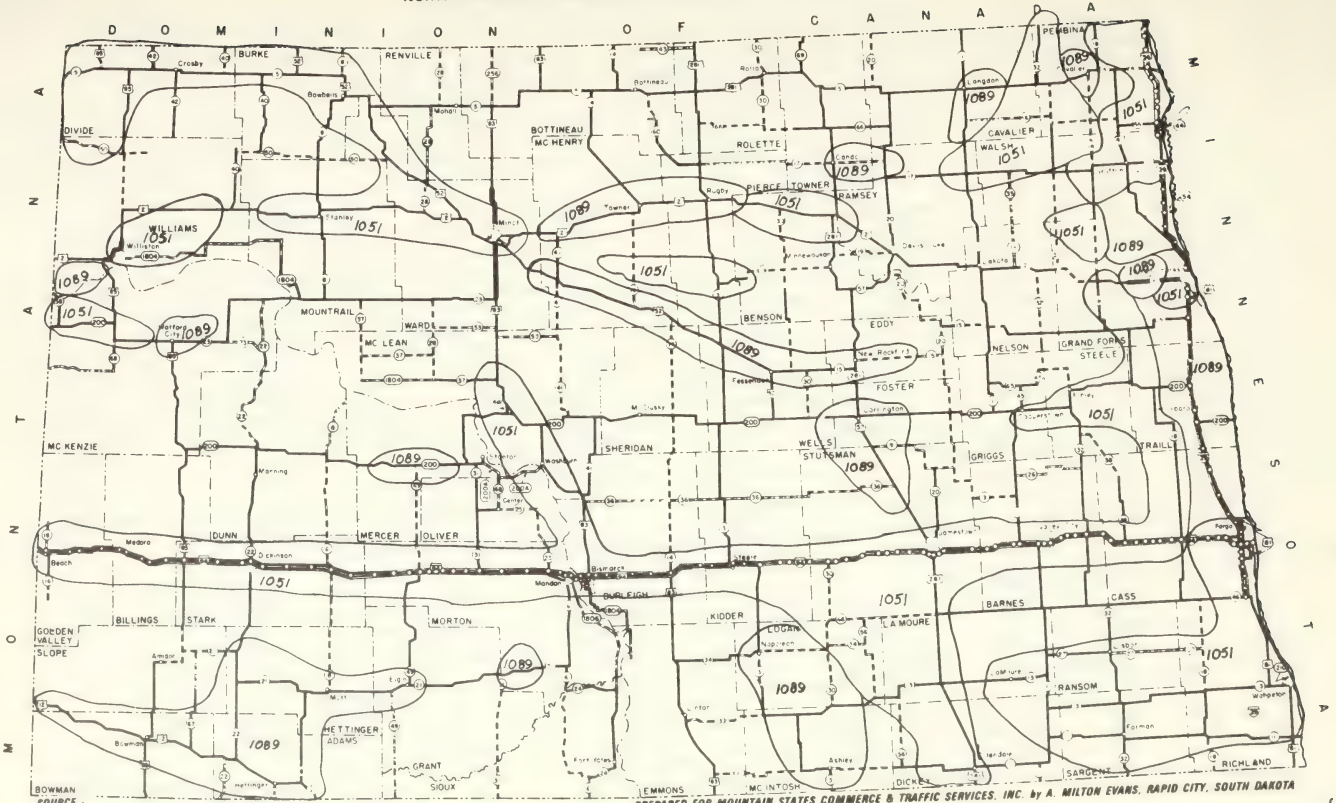
SOURCE:
MIDDLEWEST MOTOR FREIGHT BUREAU, TARIFF 502A, as in effect Sept. 1, 1974
RATE SHOWN IS CLASS 100 LTL RATE FROM DENVER TO AREA ENCLOSED

PREPARED FOR THE FEDERATION OF ROCKY MOUNTAIN STATES, INC.

PREPARED FOR MOUNTAIN STATES COMMERCE & TRAFFIC SERVICES, INC. by A. MILTON EVANS, RAPID CITY, SOUTH DAKOTA

MAP N D.2

NORTH DAKOTA DESTINATION RATE GROUPS: GREAT FALLS ORIGIN



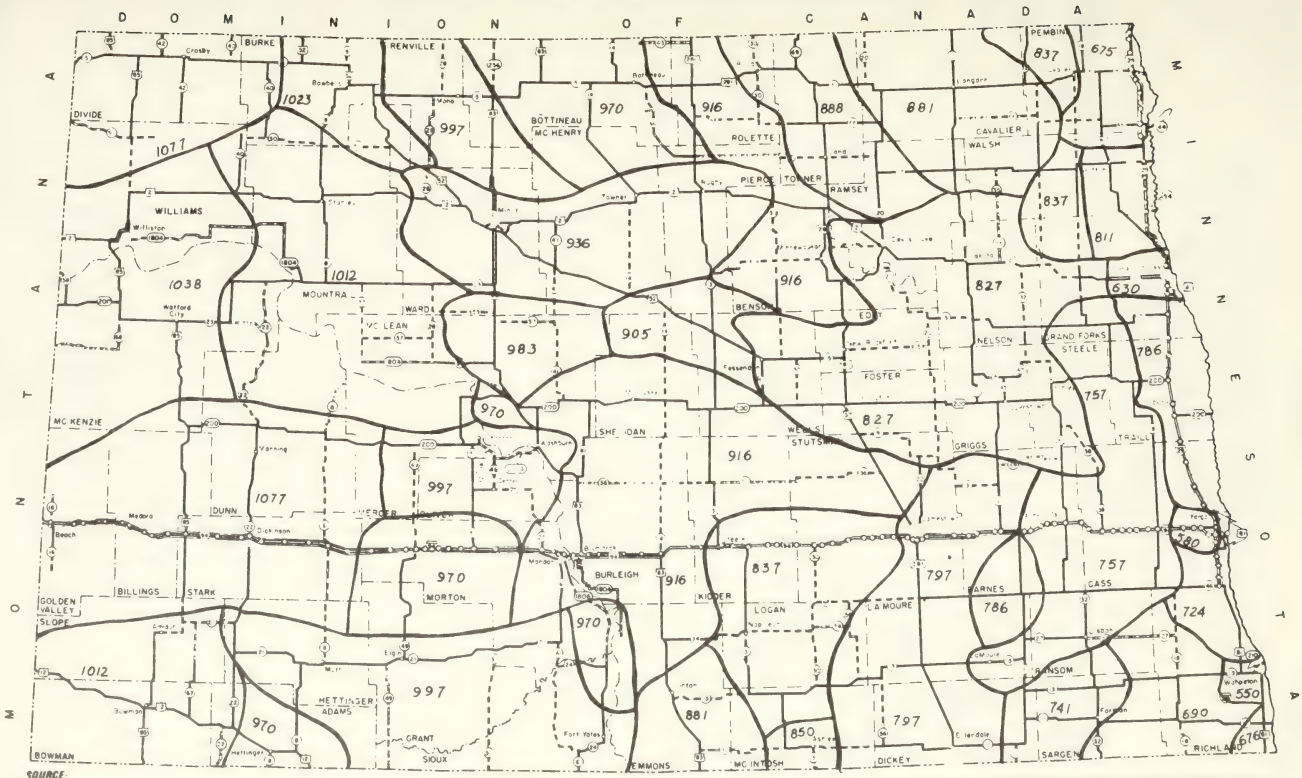
SOURCE:
ROCKY MOUNTAIN MOTOR TARIFF BUREAU, TARIFF 521, as in effect Sept 1, 1974
RATE SHOWN IS CLASS 100 LTL RATE FROM GREAT FALLS TO AREA ENCLOSED

PREPARED FOR THE FEDERATION OF ROCKY MOUNTAIN STATES, INC.

PREPARED FOR MOUNTAIN STATES COMMERCE & TRAFFIC SERVICES, INC. by A. MILTON EVANS, RAPID CITY, SOUTH DAKOTA

MAP ND.3

NORTH DAKOTA DESTINATION RATE GROUPS: MINNEAPOLIS ORIGIN



SOURCE:
MIDDLEWEST MOTOR FREIGHT BUREAU, TARIFF 306 and TARIFF 502A, as to effect Sept 1, 1974
RATE SHOWN IS CLASS 100 LTL RATE FROM MINNEAPOLIS TO AREA ENCLOSED

PREPARED FOR THE FEDERATION OF ROCKY MOUNTAIN STATES, INC.

PREPARED FOR MOUNTAIN STATES COMMERCE & TRAFFIC SERVICES, INC by A. MILTON EVANS EVANS, RAPID CITY, SOUTH DAKOTA

TABLE ND.1 NORTH DAKOTA

Class 100 LTL Rates from MINNEAPOLIS, MINNESOTA

to Typical Non-Rate-Group Points

in the State of NORTH DAKOTA

Non-Rate-Group Point	Rate from Minneapolis to Point or Rate Group Shown	Plus Rate Shown to Destination	Total Rate
Bergen	936 to Minot	34 (a) Item 300 MWB 120	970
Buford	1066 to Williston	34 (a) Item 300 MWB 120	1100
Crary	827 to Devils Lake	34 (a) Item 300 MWB 120	861
Lefor	1038 to Dickinson	34 (a) Item 300 MWB 120	1072
Nekoma	881 to Langdon	34 (a) Item 300 MWB 120	915

(a)=Arbitrary Class Rate

TABLE ND-2 NORTH DAKOTA

Alphabetical List of Rate-Group and Non-Rate-Group Points*

in the State of NORTH DAKOTA

Showing Mileage and Class 100 LTL Rates from MINNEAPOLIS

Point or Group	Miles	Rate
Bergen	464	970
Bismarck	429	916
Buford	663	1100
Crary	394	861
Devil's Lake	404	827
Dickinson	530	1038
Fargo	236	615
Grand Forks	314	669
Jamestown	330	797
Langdon	428	915
Lefor	525	1072
Mandan	435	916
Minot	499	1030
Nekoma	416	915
Williston	628	1066

Source of Mileage: Mileage Guide No. 10, Arlington, Va.: Household Goods Carriers' Bureau, 1973. Mileage is the shortest main highway mileage between the points and does not necessarily reflect the authorized routes of certificated carriers.

*Does not include all points in the state.

Rate-Group and Non-Rate-Group Points in the State of NORTH DAKOTA*
Arranged in Order of Mileage from MINNEAPOLIS and
Showing Class 100 LTL Rate from MINNEAPOLIS
with Bar Chart Comparing Cents per Hundredweight per Mile

(Points are NOT necessarily arranged in route order.)

POINT OR GROUP	MILES	RATE	CENTS PER HUNDRED POUNDS PER MILE	
			0 .25 .50 .75 1.00 1.25 1.50 1.75 2.00 2.25 2.50 2.75 3.00 3.25 3.50 3.75 4.00 4.25	
Fargo	236	615		2.60
Grand Forks	314	669		2.13
Jamestown	330	797		2.42
Crary	394	861		2.19
Devil's Lake	404	827		2.05
Nekoma	416	915		2.20
Langdon	428	915		2.14
Bismarck	429	916		2.14
Mandan	435	916		2.11
Bergen	464	970		2.09
Minot	499	1030		2.06
Lefor	525	1072		2.04
Dickinson	530	1038		1.96
Williston	628	1066		1.70
Buford	663	1100		1.66

*Does not include all points in the state.

Rates from Minneapolis. Attention is directed to Map ND.3, which shows that the state is covered with contiguous rate groups similar to the situation previously described for Nebraska from Middlewest tariff origins. Here again, an idiosyncrasy appears, however, because to many outlying points within these rate groups arbitrary rates must be applied.

Thus, from these North Dakota maps our conclusion must be that Hypothesis 1 is neither fully proven nor not proved. Also, as will be seen, the arbitrary situation to non-rate-group points differs from what has been seen previously in this report.

The Arbitrary Rate Situation

Although the rate-group patterns in North Dakota differ substantially from each of the origins chosen, liberal intermediate application rules apply. In spite of this, many points require arbitrary charges over and above the amount assessed to the applicable rate group even when they are within the rate group. However, these are flat arbitraries of an amount which is the same in all cases. On the effective or cut-off date of this report, the standard arbitrary in the Rocky Mountain tariff was 39 cents and in the Middlewest tariffs, 34 cents. It is almost a rule that if the carrier has a terminal at a point the so-called rate-group rate applies; but if the road driver must peddle the freight, the arbitrary is added. Because of this uniformity, only five non-rate-group points are illustrated on Table ND.1. There are many others in the state, but their situations would be very similar.

Thus, we see that North Dakota presents, again, a different situation insofar as rate groups and arbitraries are concerned and one which does not necessarily confirm the hypotheses started in Chapter 4.

Relationship of Rates to Mileage

The rate/mile relationships from Minneapolis to North Dakota points are developed in Tables ND.2 and ND.3. Some tapering of the rate per mile is evident although it is slightly inconsistent. From this evidence one could not say that relationships are continuous or uniform. Also, at first blush, it would seem that the rate level may be higher than for states previously investigated. This subject will be investigated in a later chapter.

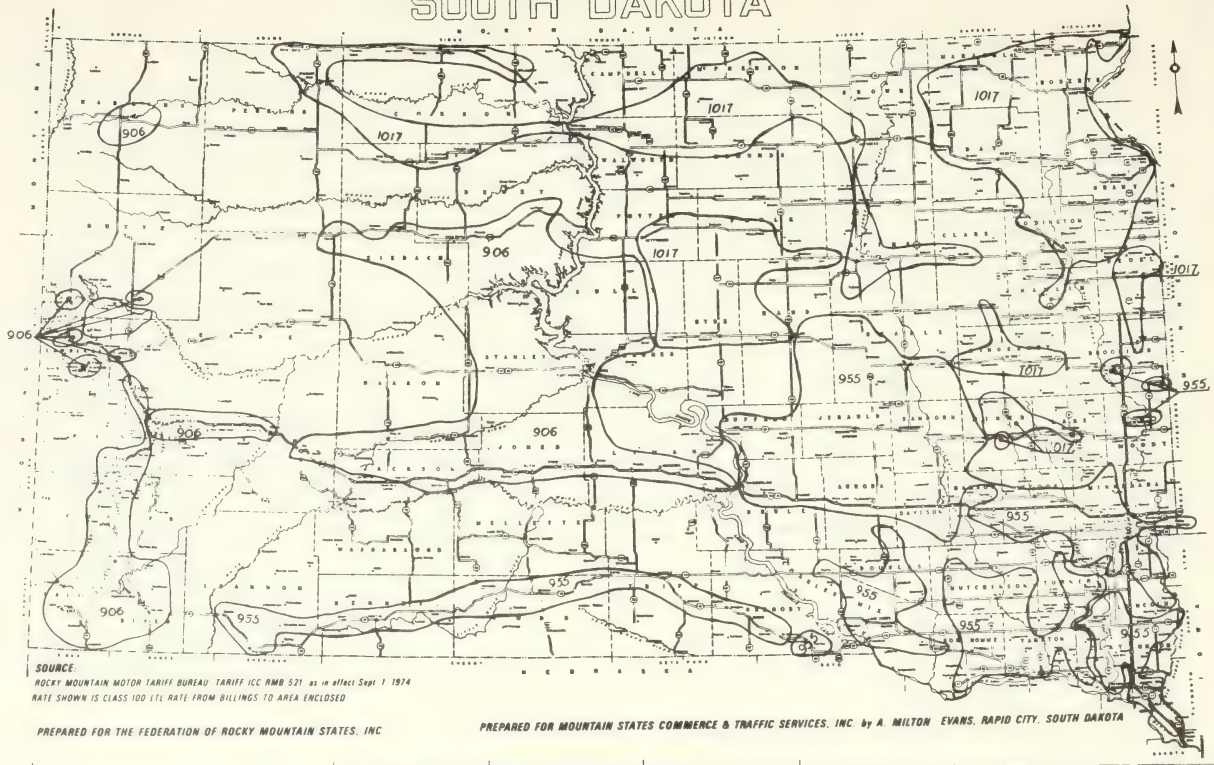
South Dakota

Examination of Maps SD.1, SD.2, and SD.3 covering the origins of Billings, Minneapolis, and Kansas City shows that the rate-group situation in South Dakota is very similar to that for North Dakota. Out of Minneapolis and Kansas City, where Middlewest tariffs apply, the rate groups tend to be contiguous, as they were observed to be in Nebraska. However, there are some gaps between them.

Out of Billings, where the Rocky Mountain Bureau applies, the groups again tend to be elongated along highways. Also note that again, similar

MAP SD.1

SOUTH DAKOTA DESTINATION RATE GROUPS: BILLINGS ORIGIN



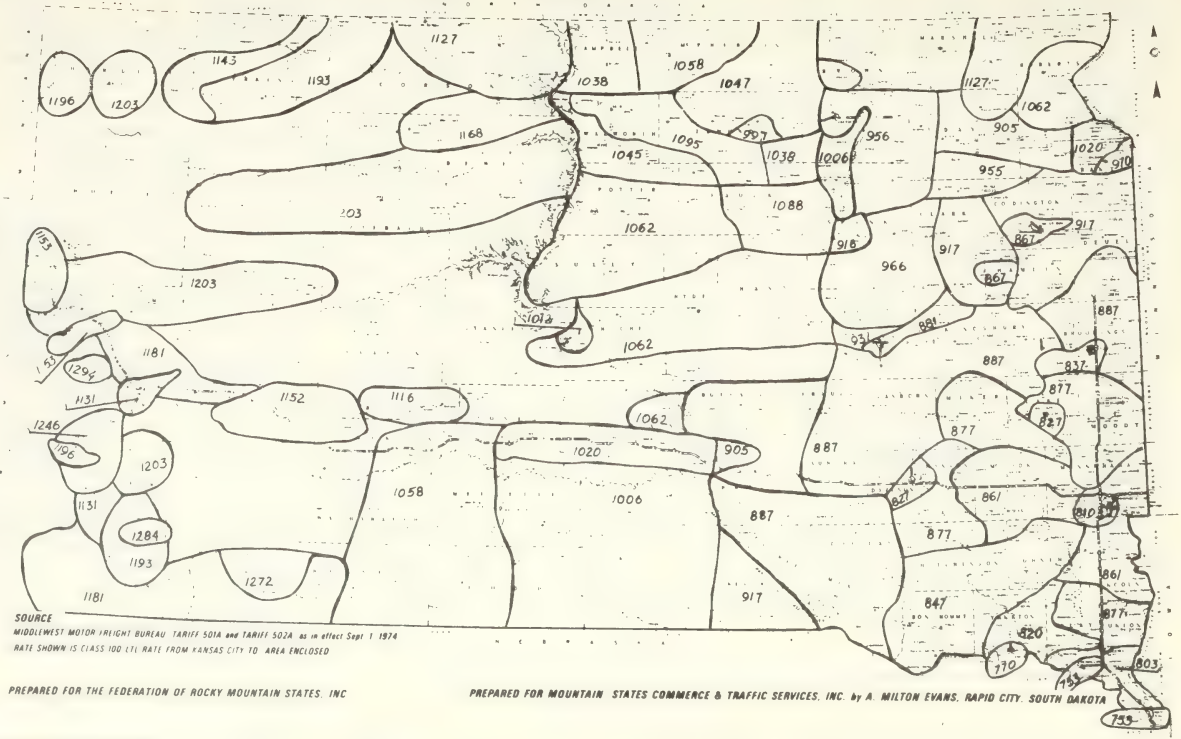
SOURCE:
ROCKY MOUNTAIN MOTOR TARIFF BUREAU TARIFF ICC RMB 521 as in effect Sept 1 1974
RATE SHOWN IS CLASS 100 LTL RATE FROM BILLINGS TO AREA ENCLOSED

PREPARED FOR THE FEDERATION OF ROCKY MOUNTAIN STATES, INC.

PREPARED FOR MOUNTAIN STATES COMMERCE & TRAFFIC SERVICES, INC. by A. MILTON EVANS, RAPID CITY, SOUTH DAKOTA

MAP SD.2

SOUTH DAKOTA DESTINATION RATE GROUPS: KANSAS CITY ORIGIN



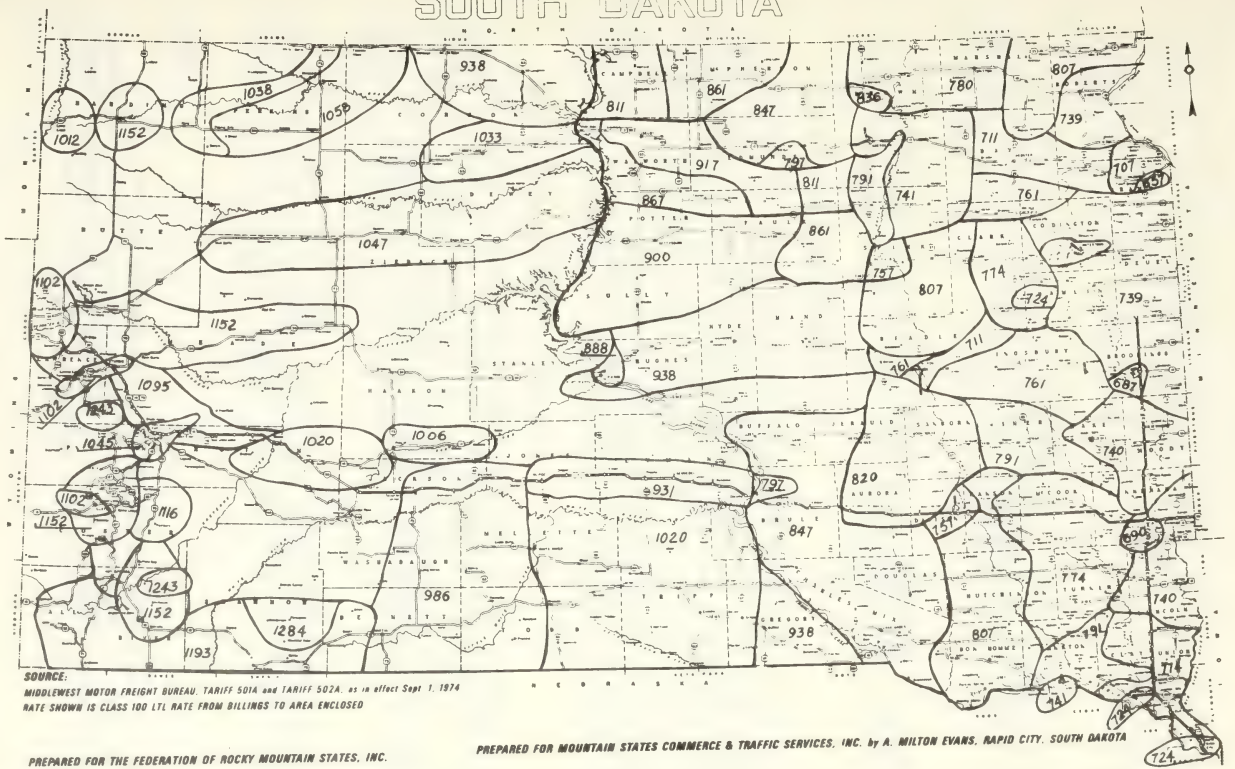
SOURCE
MIDDLEWEST MOTOR FREIGHT BUREAU TARIFF 501A and TARIFF 502A as in effect Sept 1 1974
RATE SHOWN IS CLASS 100 LTL RATE FROM KANSAS CITY TO AREA ENCLOSED

PREPARED FOR THE FEDERATION OF ROCKY MOUNTAIN STATES, INC

PREPARED FOR MOUNTAIN STATES COMMERCE & TRAFFIC SERVICES, INC. by A. MILTON EVANS, RAPID CITY, SOUTH DAKOTA

MAP SD.3

SOUTH DAKOTA DESTINATION RATE GROUPS: MINNEAPOLIS ORIGIN



SOURCE:
MIDDLEWEST MOTOR FREIGHT BUREAU, TARIFF 501A and TARIFF 502A, as in effect Sept 1, 1974
RATE SHOWN IS CLASS 100 LTL RATE FROM BILLINGS TO AREA ENCLOSED

PREPARED FOR THE FEDERATION OF ROCKY MOUNTAIN STATES, INC.

PREPARED FOR MOUNTAIN STATES COMMERCE & TRAFFIC SERVICES, INC. by A. MILTON EVANS, RAPID CITY, SOUTH DAKOTA

to the Rocky Mountain Bureau rates applying to Nebraska and South Dakota, there are very few different rates--only three, in fact--covering the entire state. Across the southern part of the state, stretching approximately from Pine Ridge, is a long group taking a rate of 955 cents per hundred pounds. This linear averaging without tapering has been noted in previous data sets.

On the Kansas City and Minneapolis maps, the rate/mileage progression appears to be logical although there are several relatively low rated enclaves which are surrounded by higher rated territory. Note is taken of Milbank, Watertown, Brookings, and Sioux Falls in the eastern portion of the state.

The South Dakota maps show that rates are published to a number of different groups, but as in the case of North Dakota this is modified by what is apparently a reasonable arbitrary rate picture.

The Arbitrary Rate Situation

The tariffs from which the above rate-group maps were drawn contain liberal intermediate application rules so rates can easily be made to unnamed points. However, many points are named as taking arbitrary rates even when located in a rate group. As in the case of North Dakota, the arbitrary is a uniform, flat rate arbitrary for all classes of freight and sizes of freight and sizes of shipment. On the effective date of September 1, 1974, this was 47 cents per hundred pounds in the Rocky Mountain tariff and 46 cents in the Middlewest Bureau tariffs. Thus, only six non-rate-group points have been chosen for analysis in Table SD.1.

Relationship of Rates to Mileage

The rate/mile relationships are developed for South Dakota on Tables SD.2 and SD.3. The points shown are those from Table SD.1 as well as the South Dakota representative points chosen in Chapter 1. Although the points requiring arbitrary rates always tend to be a little out of line, the tapering is reasonably constant. The level of rates per mile, however, is somewhat higher than that for North Dakota, which itself was noted to be possibly high.

All in all, South Dakota presents a very similar situation to both North Dakota and to Nebraska, and perhaps in some respect to New Mexico. These four data sets have elements which partially negate the propositions of the hypotheses in Chapter 4.

Utah

The accident of alphabetical arrangement has caused us just previously to examine in succession four states for which the data do not strongly support the hypotheses set forth in Chapter 4. With Utah, however, we have a state which substantiates all three of the propositions.

TABLE SD-1 SOUTH DAKOTA

Class 100 LTL Rates from MINNEAPOLIS, MINNESOTA

to Typical Non-Rate-Group Points

in the State of SOUTH DAKOTA

Non-Rate-Group Point	Rate from Minneapolis to Point or Rate Group Shown	Plus Rate Shown to Destination	Total Rate
Alexandria	757 to Mitchell	46 (a) Item 332 MWB 120	803
Black Hawk	1045 to Rapid City	46 (a) Item 332 MWB 120	1091
Bruce	687 to Brookings	46 (a) Item 332 MWB 120	733
Canton	693 to Sioux Falls	46 (a) Item 332 MWB 120	739
Enning	1102 to Deadwood	46 (a) Item 332 MWB 120	1148
Warner	741 to Aberdeen	46 (a) Item 332 MWB 120	787

(a)=Arbitrary Class Rate

TABLE S-2 SOUTH DAKOTA

Alphabetical List of Rate-Group and Non-Rate-Group Points*

in the State of SOUTH DAKOTA

Showing Mileage and Class 100 LTL Rates from MINNEAPOLIS

Point or Group	Miles	Rate
Aberdeen	280	741
Alexandria	290	803
Black Hawk	571	1091
Brookings	204	687
Bruce	216	733
Canton	256	739
Enning	522	1148
Huron	278	757
Lead	586	1102
Mitchell	299	757
Pierre	394	888
Rapid City	565	1045
Sioux Falls	234	693
Warner	288	787
Watertown	204	687
Yankton	311	741

Source of Mileage: Mileage Guide No. 10, Arlington, Va.: Household Goods Carriers' Bureau, 1973. Mileage is the shortest main highway mileage between the points and does not necessarily reflect the authorized routes of certificated carriers.

*Does not include all points in the state.

Rate-Group and Non-Rate Group Points in the State of SOUTH DAKOTA*
Arranged in Order of Mileage from MINNEAPOLIS and
Showing Class 100 LTL Rate from MINNEAPOLIS
with Bar Chart Comparing Cents per Hundredweight per Mile

(Points are NOT necessarily arranged in route order.)

POINT OR GROUP	MILES	RATE	CENTS PER HUNDRED POUNDS PER MILE (0 .25 .50 .75 1.00 1.25 1.50 1.75 2.00 2.25 2.50 2.75 3.00 3.25 3.50 3.75 4.00 4.25)	
Brookings	204	687		3.37
Watertown	204	687		3.37
Bruce	216	733		3.39
Sioux Falls	234	693		2.96
Canton	256	739		2.89
Huron	278	757		2.72
Aberdeen	280	741		2.65
Warner	288	787		2.73
Alexandria	290	803		2.77
Mitchell	299	757		2.53
Yankton	311	741		2.39
Pierre	394	888		2.25
Enning	522	1148		2.20
Rapid City	565	1045		1.85
Black Hawk	571	1091		1.91
Lead	586	1102		1.88

*Does not include all points in the state.

The Utah rate-group maps are numbered U.1, U.2, and U.3. The origins chosen are Albuquerque, San Francisco, and Spokane. San Francisco was selected as the major market origin for the comparisons in Tables U.1, U.2, and U.3.

Rates from Albuquerque. Attention is directed to Map U.1 which shows many small rate groups applicable from Albuquerque. Since there are only four rates applicable to all these groups, the groups have been coded. The groups are scattered along major highways. Illogically, the highest rated groups (1152 cents) are located in the southwest quadrant of the state although this part of the state is closer to Albuquerque than the far northern part of the state, to which the rate is 1111.

Rates from San Francisco. Map U.2 shows rate groups applying from San Francisco which are elongated along major highways similar to cases in some other Rocky Mountain Bureau tariffs. Again the southwest corner of the state has the highest rates although it is closer to San Francisco than points rated lower in the southeast portion. Also, the extensive rate averaging in the very long 1172-cent group stretching across the southwest corner is hard to justify.

Rates from Spokane. Map U.3 showing the Spokane origin presents very few rate groups. The major emphasis is upon the populous area around Salt Lake City. Rate/mile progression is logical except now we find the rates to the southwest corner of the state are substantially lower than rates to the southeast. If there is logic to justify the opposite situation on the previous two maps, this would seem to refute such logic.

The Utah maps unquestionably substantiate Hypothesis 1 that through rates are published only to a limited number of groups and that many small points are not covered by these groups.

The Arbitrary Rate Situation

A selection of eleven so-called typical non-rate-group points is shown in Table U.1 in order to illustrate the arbitrary rate situation. As mentioned, San Francisco was selected as the major market origin.

Notice is called to the fact that Wendover is included as a non-rate-group point even though a through rate applies from San Francisco. This is because it is not included in any Utah rate groups but is covered by a tariff which deals mainly with Nevada.

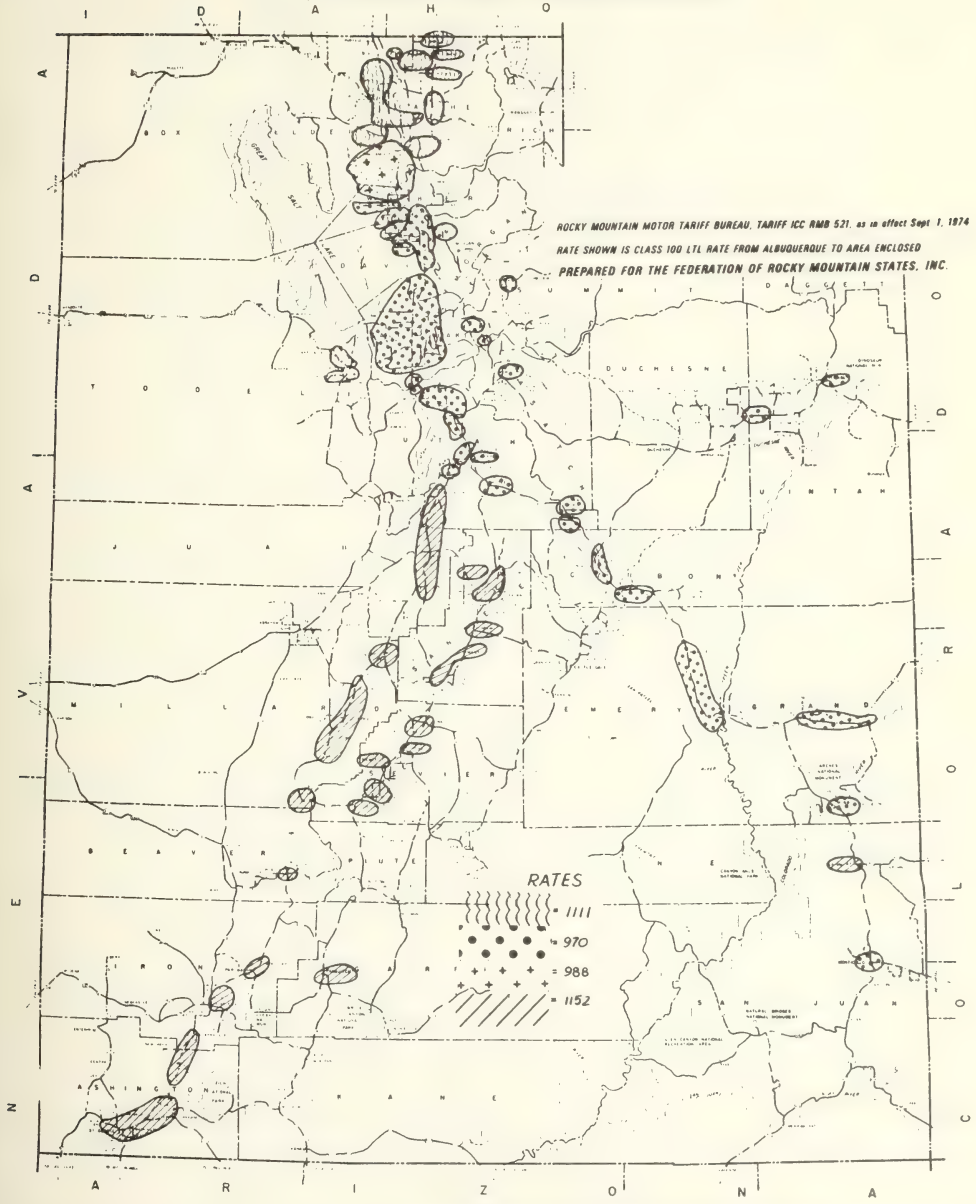
Table U.1 indicates that of the non-rate-group points selected, none are covered by combinations of local rates. Seven are covered by variable arbitrary rates and three by fixed arbitrary rates. This situation is probably fairly typical of Utah non-rate-group points. Intermediate application of rates is limited to shipments of over 1000 pounds and is extremely restricted; this may be seen in page 103 of Item 577 of Tariff RMB 330A which appears as Exhibit 4.5.

The data from Utah also substantiate Hypothesis 2 that arbitraries are widely used.

(Text continued on page 5.66)

MAP U.1

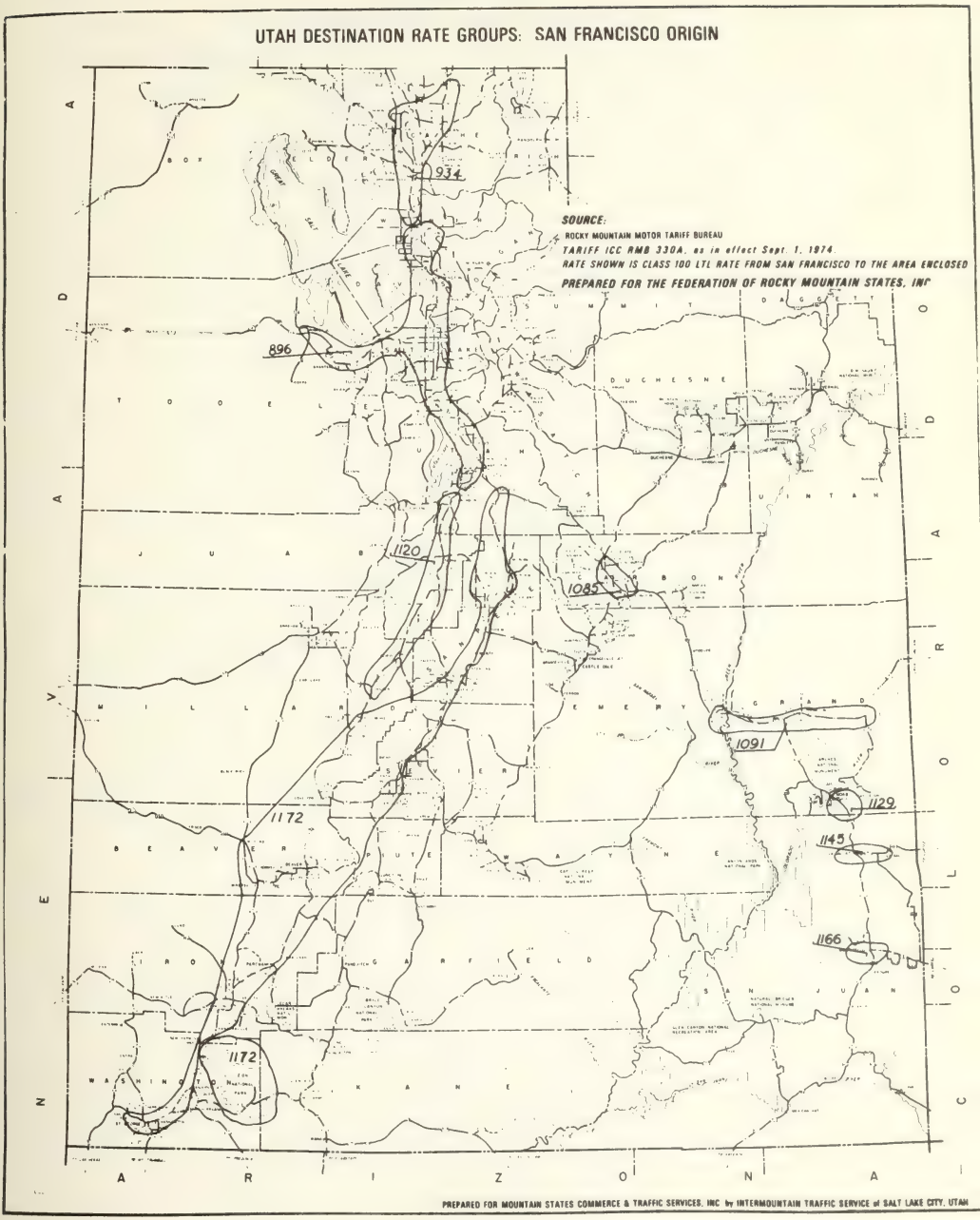
UTAH DESTINATION RATE GROUPS: ALBUQUERQUE ORIGIN



PREPARED FOR MOUNTAIN STATES COMMERCE & TRAFFIC SERVICES, INC. by INTERMOUNTAIN TRAFFIC SERVICE of SALT LAKE CITY, UTAH

MAP U.2

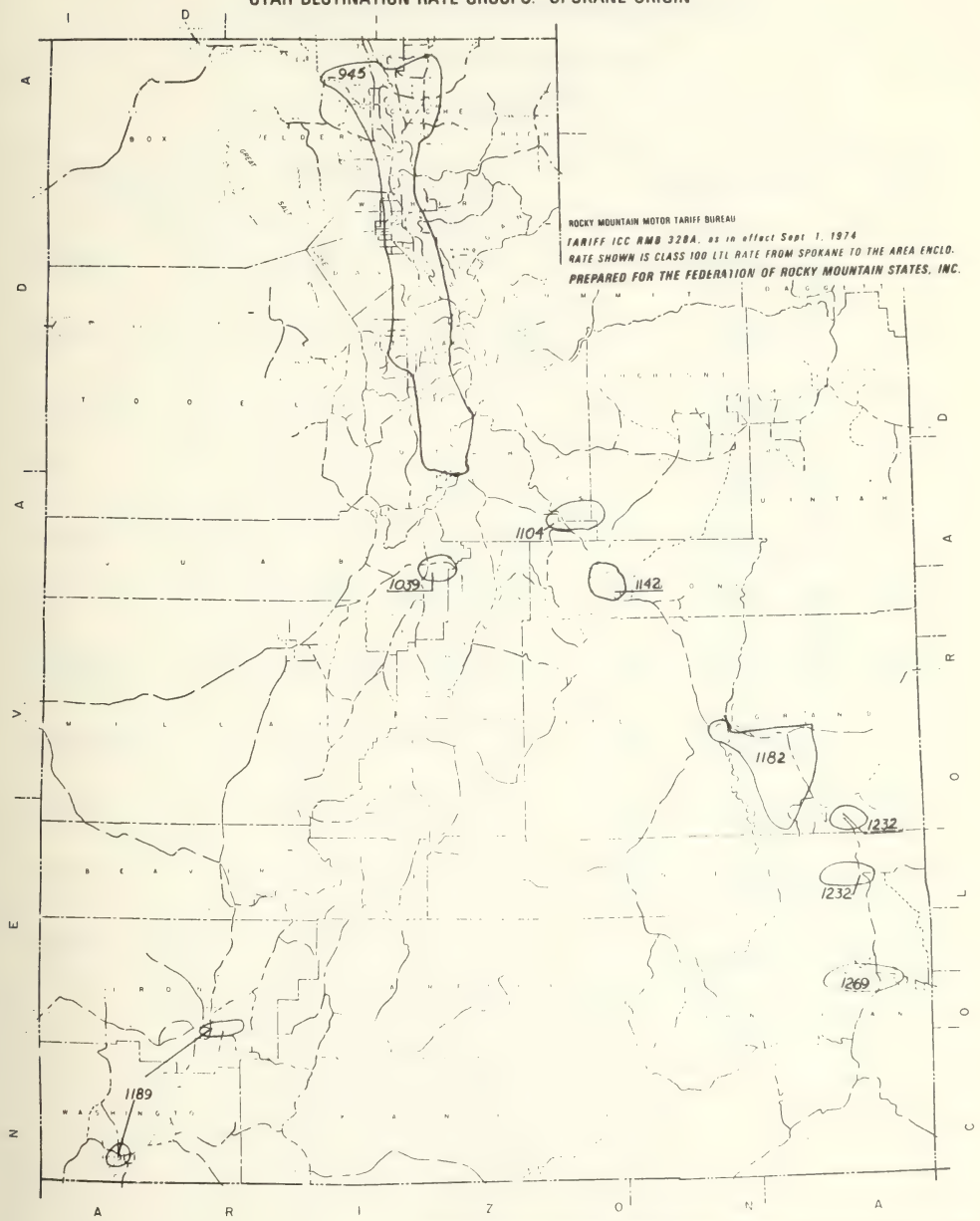
UTAH DESTINATION RATE GROUPS: SAN FRANCISCO ORIGIN



PREPARED FOR MOUNTAIN STATES COMMERCE & TRAFFIC SERVICES, INC. by INTERMOUNTAIN TRAFFIC SERVICE of SALT LAKE CITY, UTAH

MAP U.3

UTAH DESTINATION RATE GROUPS: SPOKANE ORIGIN



PREPARED FOR MOUNTAIN STATES COMMERCE & TRAFFIC SERVICES, INC. by INTERMOUNTAIN TRAFFIC SERVICE of SALT LAKE CITY, UTAH

TABLE U-1 UTAH

Class 100 LTL Rates from SAN FRANCISCO, CALIFORNIA

to Typical Non-Rate-Group Points

in the State of UTAH

Non-Rate-Group Point	Rate from San Francisco to Point or Rate Group Shown	Plus Rate Shown to Destination	Total Rate
Blanding	1166 to Monticello	140 (a) Item 1510 RMB 330-A	1306
Bonanza	896 to Salt Lake City	527 (a) Item 1570 RMB 330-A	1423
Circleville	1172 to Richfield	234 (a) Item 1690 RMB 330-A	1406
Delta	896 to Salt Lake City	247 (a) Item 1510 RMB 330-A	1143
Duchesne	896 to Salt Lake City	403 (a) Item 1560 RMB 330-A	1299
Kanab	1172 to Richfield	234 (f) Item 1690 RMB 330-A	1406
Marysvale	1172 to Richfield	234 (f) Item 1690 RMB 330-A	1406
Mexican Hat	1166 to Monticello	211 (f) Item 1520 RMB 330-A	1377
Tooele	896 to Salt Lake City	191 (a) Item 1590 RMB 330-A	1087
Vernal	896 to Salt Lake City	403 (a) Item 1560 RMB 330-A	1299
Wendover	808	RMB 330-A	808

(a)=Arbitrary Class Rate (f)=Flat Arbitrary

TABLE U-2 UTAH

Alphabetical List of Rate-Group and Non-Rate-Group Points*

in the State of UTAH

Showing Mileage and Class 100 LTL Rates from SAN FRANCISCO

Point or Group	Miles	Rate
Blanding	1005	1306
Bonanza	968	1423
Circleville	807	1406
Delta	697	1143
Duchesne	902	1299
Kanab	778	1406
Logan	790	934
Marysville	817	1406
Mexican Hat	1077	1377
Moab	927	1129
Nephi	748	1102
Price	851	1085
Richfield	787	1172
St. George	696	1172
Salt Lake City	752	896
Tooele	736	1087
Vernal	923	1299
Wendover	638	808

Source of Mileage: Mileage Guide No. 10, Arlington, Va.: Household Goods Carriers' Bureau, 1973. Mileage is the shortest main highway mileage between the points and does not necessarily reflect the authorized routes of certificated carriers.

*Does not include all points in the state.

TABLE U-3

UTAH 5.65

Rate-Group and Non-Rate-Group Points in the State of UTAH*
Arranged in order of Mileage from SAN FRANCISCO and
Showing Class 100 LTL Rate from SAN FRANCISCO
with Bar Chart Comparing Cents per Hundredweight per Mile

(Points are NOT necessarily arranged in route order.)

POINT OR GROUP	MILES	RATE	CENTS PER HUNDRED POUNDS PER MILE 0 .25 .50 .75 1.00 1.25 1.50 1.75 2.00 2.25 2.50 2.75 3.00 3.25 3.50 3.75 4.00 4.25	
Wendover	638	808		1.27
St. George	696	1172		1.68
Delta	697	1143		1.64
Tooele	736	1087		1.48
Nephi	748	1102		1.47
Salt Lake City	752	896		1.19
Kanab	778	1406		1.81
Richfield	787	1172		1.49
Logan	790	934		1.18
Circleville	807	1406		1.74
Marysvale	817	1406		1.72
Price	851	1085		1.27
Duchesne	902	1299		1.44
Vernal	923	1299		1.41
Moab	927	1129		1.22
Bonanza	968	1423		1.47
Blanding	1005	1306		1.30
Mexican Hat	1077	1377		1.28

*Does not include all points in the state.

Relationship of Rates to Mileage. Tables U.2 and U.3 develop the rate/mileage relationships for Utah. The points shown are the representative points for Utah selected in Chapter 1 plus the non-rate-group points from Table U.1. The bar graph in Table U.3 indicates that for the selected points in Utah there is certainly no continuous or uniform relationship between rates and mileage. There is not even any evidence of the tapering principle applying except in an extremely limited fashion.

Wyoming

The last data set is that for Wyoming. Maps W.1, W.2, and W.3 present rate groups from the origins of Denver, Rapid City, and Salt Lake City. These rates are all found in tariffs of the Rocky Mountain Motor Tariff Bureau. Denver was selected as the major market origin for Tables W.1, W.2, and W.3.

Through-Rate and Rate-Group Situation

The Wyoming rate-group maps demonstrate the typical situation in which single-factor through rates are published only to a limited number of points.

Rates from Denver. There are fewer rate-mileage inconsistencies on the Denver origin map, Map W.1, than on the Salt Lake City map discussed subsequently. However, note should be taken that points just south of Yellowstone Park take rates at the 1300-cent level while points just to the east of it take rates at the 1000-cent level. The difference in distance from Denver is not remarkable. As will be seen, there is a definite question of an abnormally high level of rates from Denver to Wyoming points.

Rates from Rapid City. Rapid City is the origin shown on Map W.2. Rate progression is reasonably logical but there is a very small number of rate groups. This may reflect a very small volume of business between the subject points.

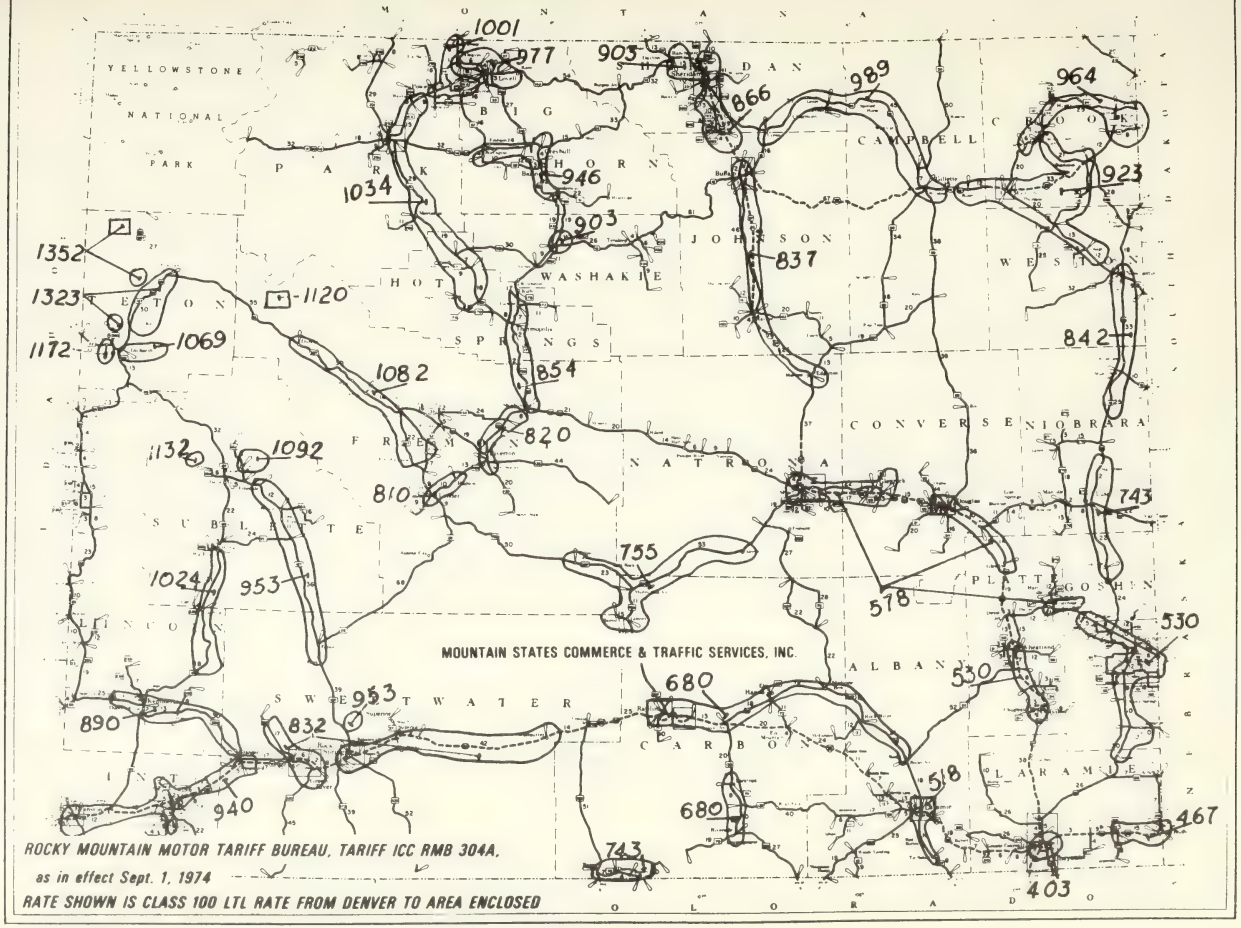
Rates from Salt Lake City. Map W.3 demonstrating rate groups applicable from Salt Lake City has examples of the sort of groups which are elongated along the major highways and there are several instances of rate/mile inconsistencies.

Attention is drawn to the fact that the rate level across the southern part of the state along the major highway leading to Cheyenne is much lower than the rates for similar or shorter distances leading into the Lander-Riverton area. Also the distance from Salt Lake City to Sheridan is about 22 percent greater than from Salt Lake City to Cheyenne, but the rate is approximately 42 percent higher.

Altogether, the Wyoming maps substantiate Hypothesis 1 as stated in Chapter 4.

MAP W.1

WYOMING DESTINATION RATE GROUPS: DENVER ORIGIN



ROCKY MOUNTAIN MOTOR TARIFF BUREAU, TARIFF ICC RMB 304A,
as in effect Sept. 1, 1974

RATE SHOWN IS CLASS 100 LTL RATE FROM DENVER TO AREA ENCLOSED

PREPARED FOR THE FEDERATION OF ROCKY MOUNTAIN STATES, INC.

5.67

MAP W2

WYOMING DESTINATION RATE GROUPS: RAPID CITY ORIGIN

SOURCE:

ROCKY MOUNTAIN MOTOR TARIFF BUREAU, TARIFF ICC RMB 304A, as in effect Sept. 1, 1974

RATE SHOWN IS CLASS 100 LTL RATE FROM RAPID CITY TO AREA ENCLOSED

PREPARED FOR THE FEDERATION OF ROCKY MOUNTAIN STATES, INC.

5.68

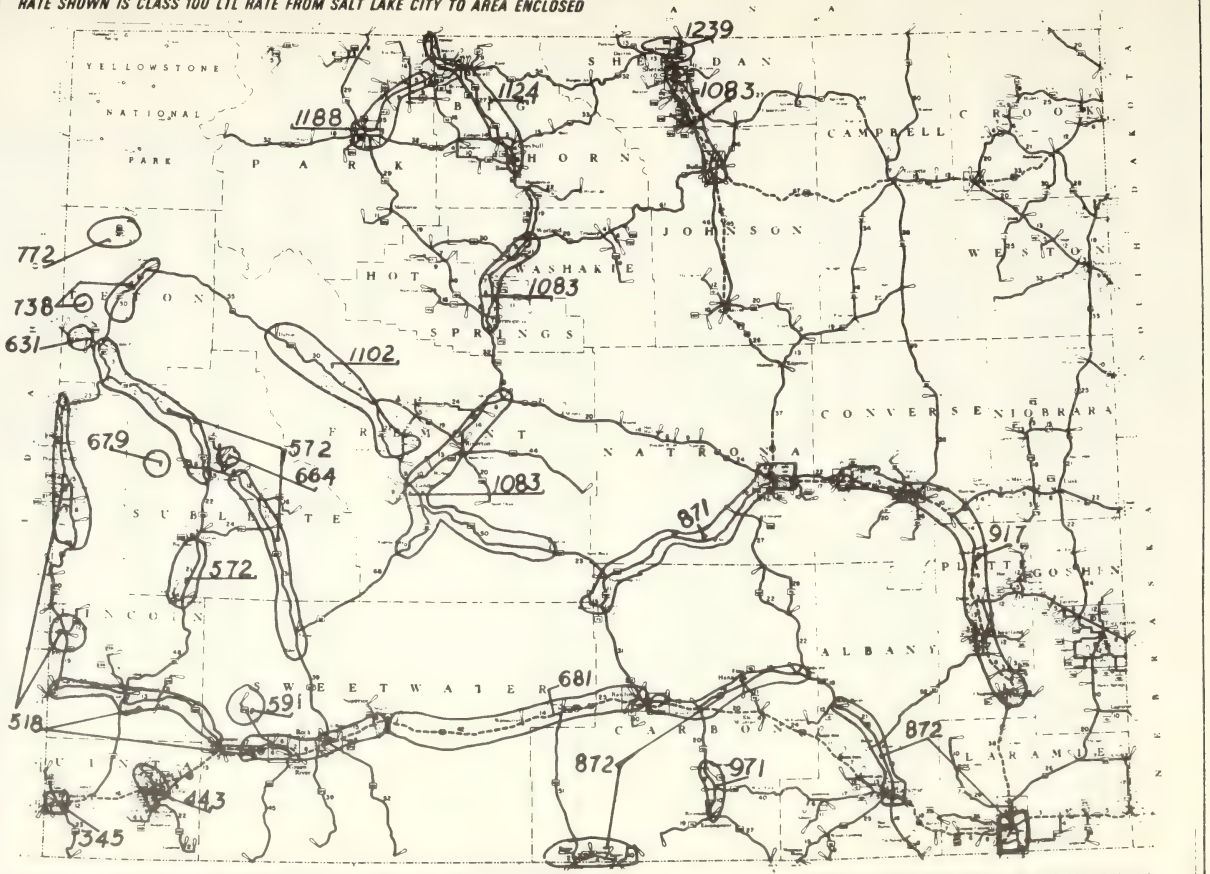
MAP W.3

WYOMING DESTINATION RATE GROUPS: SALT LAKE CITY ORIGIN

SOURCE:

ROCKY MOUNTAIN MOTOR TARIFF BUREAU, TARIFF ICC RMB 334A, as in effect Sept. 1, 1974

RATE SHOWN IS CLASS 100 LTL RATE FROM SALT LAKE CITY TO AREA ENCLOSED



PREPARED FOR THE FEDERATION OF ROCKY MOUNTAIN STATES, INC.

MOUNTAIN STATES COMMERCE & TRAFFIC SERVICES, INC

5.69

The Arbitrary Rate Situation

As noted, Denver was selected as the major market origin for Wyoming. In the tariff applicable from Denver, there are approximately thirty points requiring arbitrary rates over various Wyoming rate groups. For the most part, these are flat arbitrary rates which do not vary with class or freight or distance, and they are, relatively, rather high in level. For this reason, Table W.1 shows only five so-called typical non-rate-group points.

Some points in Wyoming which are not named in the tariff may be ratable by intermediate application. The appropriate rule is Item 577 of Tariff RMB 304A which is shown as Exhibit 4.3 in Chapter 4. However, intermediate application is limited to shipments of over 500 pounds and, as can be seen, many Wyoming points and areas are excepted from it.

Relationship of Rates to Mileage

Tables W.2 and W.3 bring together the non-rate-group points from Table W.1 and the Wyoming representative points from Chapter 1 and demonstrate the rate/mile relationships. The bar graph in Table W.3 not only shows an inconsistent tapering pattern but also the highest cents per hundred points per mile figures of any of the states in the project study area.

A compensating factor is that mileages from Denver to Wyoming points are also generally the shortest in any of the examples we have given. Even so, the rate levels seem higher than in other states; a later comparison examines this. At any rate, the tables demonstrate an inconsistent relationship between rates and mileage.

We must observe that the Wyoming data bears out all three hypotheses stated in Chapter 4.

Comment Regarding Findings

In Chapter 4 three simple hypotheses were established as a mechanism for examining the data set forth in this chapter. For convenience, they are now restated:

1. Through rates are published only to a limited number of rate groups; many small points are not covered by these rate groups.

2. Arbitrary rates and/or combinations of local rates must be used to reach many points not covered in rate groups.

3. Generally, there is no continuous, uniform relationship between mileage and the subject freight rates as described above; in some cases rates may be higher for shorter than for longer distances in the same direction or even over the same route.

(Text continued on page 5.74)

Class 100 LTL Rates from DENVER, COLORADO

to Typical Non-Rate-Group Points

in the State of WYOMING

Non-Rate-Group Point	Rate from Denver to Point or Rate Group Shown	Plus Rate Shown to Destination	Total Rate
Amax	989 to Gillette	122 (f) Item 1430 RMB 304-A	1111
Arvada	866 to Sheridan	167 (f) Item 1470 RMB 304-A	1033
Dwyer	530 to Wheatland	113 (f) Item 1700 RMB 304-A	643
Hartville	578 to Guernsey	117 (f) Item 1580 RMB 304-A	695
Lagrange	530 to Torrington	113 (f) Item 1700 RMB 304-A	643

(f)=Flat Arbitrary

TABLE W-2 WYOMING

Alphabetical List of Rate-Group and Non-Rate-Group Points*

in the State of WYOMING

Showing Mileage and Class 100 LTL Rates from DENVER

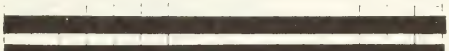
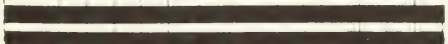
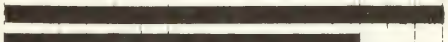
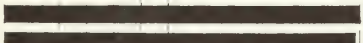
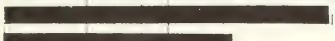
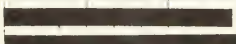
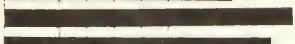
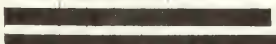
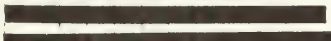
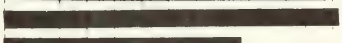
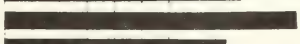
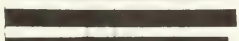
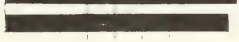
Point or Group	Miles	Rate
Amax	360	1111
Arvada	389	1033
Casper	275	578
Cheyenne	100	403
Cody	489	1034
Dwyer	198	643
Gillette	342	989
Hartville	216	695
Jackson	515	1069
Lagrange	160	643
Laramie	129	518
Newcastle	320	842
Rawlins	230	680
Riverton	381	820
Rock Springs	338	832
Sheridan	424	866

Source of Mileage: Mileage Guide No. 10, Arlington, Va.: Household Goods Carriers' Bureau, 1973. Mileage is the shortest main highway mileage between the points and does not necessarily reflect the authorized routes of certificated carriers.

*Does not include all points in the state.

Rate-Group and Non-Rate-Group Points in the State of WYOMING*
Arranged in Order of Mileage from DENVER and
Showing Class 100 LTL Rate from DENVER
with Bar Chart Comparing Cents per Hundredweight per Mile

(Points are NOT necessarily arranged in route order.)

POINT OR GROUP	MILES	RATE	CENTS PER HUNDRED POUNDS PER MILE	
			0 .25 .50 .75 1.00 1.25 1.50 1.75 2.00 2.25 2.50 2.75 3.00 3.25 3.50 3.75 4.00 4.25	
Cheyenne	100	403		4.03
Laramie	129	518		4.02
Lagrange	160	643		4.02
Dwyer	198	643		3.25
Hartville	216	695		3.22
Rawlins	230	680		2.96
Casper	275	578		2.10
Newcastle	320	842		2.63
Rock Springs	338	832		2.46
Gillette	342	989		2.89
Amax	360	1111		3.09
Riverton	381	820		2.15
Arvada	389	1033		2.66
Sheridan	424	866		2.04
Cody	489	1034		2.11
Jackson	515	1069		2.08

*Does not include all points in the state.

In our preview of findings in Chapter 4, we indicated that in general all of these hypotheses are true with certain possible limitations. These limitations or exceptions became obvious as the data sets in this chapter seem to fall into two distinct groups, those which fully substantiate the above hypotheses and those which tend to show that a different set of circumstances could be made to prevail.

Colorado, Idaho (with the exception of the Pacific Inland Tariff Bureau area), Montana, Utah and Wyoming have rate structures which agree substantially with the concept of the hypotheses.

To a greater or lesser extent Nebraska, New Mexico, North Dakota, and South Dakota exhibit rate structures where rate groups cover the entire state, arbitrary rates are used essentially in true extra-cost situations, where good provision is made for intermediate application and where a more continuous relationship between rates and mileage tends to exist.

There is perhaps a surprising feature, and yet given motor carrier history, one which should be expected, that emerges from the data. This study deals with interstate motor freight carrier rates. Many of the examples presented deal with long distance movements spanning two or more states; this implies a national system of truck transportation. Yet this evidence seems to indicate at least some rate conditions in the individual states which are remarkably different from each other state.

The next chapter presents further comparisons drawn from these data sets and prepares for some possible explanations of situations described.

CHAPTER 6

Rate Level and Mileage Relationships

This chapter deals with several matters which logically follow or are related to the discussions of Chapters 4 and 5.

First is the matter of rate levels. The hypotheses examined in Chapter 5 made no statements as to the comparison of motor carrier freight rate levels which apply in the various project study area states or between different regions of the project study area. However, an examination of the bar chart for each state in Chapter 5 raises the question of how one state compares to the other.

The second matter deals with rate-mile relationships. Some persons report that motor carrier rates in the project study area have traditionally been based upon railroad rather than highway mileages. Data are presented to deal with this contention.

Third, the percentage relationships between class rates applying to different commodities are examined. Theoretically, the different "classes" and the class rates which apply to them are supposed to bear definite percentage relations to each other. Some observers allege that the class rates no longer bear the proper relationship to percentage class "ratings." Data are presented to investigate this contention.

Rate Levels

Cursory examination of the bar charts in the data sets of Chapter 5 creates the impression that rate levels for some states may be higher than for others. These charts show rates in cents per hundred pounds per mile. Reference to the New Mexico chart in Table NM.3 in comparison to the Wyoming chart in Table W.3 suggests that Wyoming rates are much higher. Any such comparison between the bar charts which are discussed in Chapter 5 is misleading because it does not take into account that the distances involved are different nor does it consider the tapering principle.

Tables 6.1 and 6.1A were prepared to reveal whether there are differences in rate levels applying for the various states when comparable mileages are considered. The tables were constructed by selecting comparable mileage categories from the charts for different states. The rates for each group were then arrayed in order of descending magnitude.

The result indicates that rates for approximately the same length of haul are indeed different for the different states. For instance, for the shorter mileages Wyoming is the highest rated. For longer

TABLE 6.1

COMPARISON OF RATE LEVELS FOR HAULS OF VARIOUS LENGTHS

Between	Miles	Class 100 LTL Rate in Cents per 100 Pounds per Mile (0 .25 .50 .75 1.00 1.25 1.50 1.75 2.00 2.25 2.50 2.75 3.00 3.25 3.50 3.75 4.00 4.25)	Cents
Minneapolis & Sioux Falls, S.D.	234		2.96
Denver & Rawlins, Wyo.	230		2.96
Minneapolis & Fargo, N.D.	236		2.60
Denver & Newcastle, Wyo.	320		2.63
Minneapolis & Yankton, S.D.	311		2.39
Minneapolis & Grand Forks,N.D.	314		2.13
Denver & Arvada, Wyo.*	389		2.66
Minneapolis & Pierre, S.D.	394		2.25
Minneapolis & Crary, N.D.*	394		2.19
Denver & Ashland, Mont.*	476		2.52
Denver & Cody, Wyo.	489		2.11
Minneapolis & Bergen,N.D.*	464		2.09
Chicago & Omaha, Nebr.	459		1.88
Minneapolis & Dickinson, N.D.	530		1.96
Denver & Billings, Mont.	555		1.86
Minneapolis & Rapid City,S.D.	565		1.85
Chicago & Columbus, Nebr.	536		1.78
Denver & Melstone, Mont.*	643		1.85
Minneapolis & Williston,N.D.	628		1.70
Chicago & Kearney, Nebr.	638		1.63
Denver & Burley, Idaho	648		1.55
San Francisco & Wendover,Utah	638		1.27
Kansas City & Clovis, N.M.	651		1.23
Los Angeles & Towaoc, Colo.*	777		1.86
Chicago & North Platte,Nebr.	734		1.60
Denver & Butte, Mont.	778		1.44
Kansas City & Los Alamos,N.M.*	772		1.24
Los Angeles & Salt Lake City	752		1.19

(continued)

Table 6.1 (Concluded)

Between	Miles	Class 100 LTL Rate in Cents per 100 Pounds per Mile 0 .25 .50 .75 1.00 1.25 1.50 1.75 2.00 2.25 2.50 2.75 3.00 3.25 3.50 3.75 4.00 4.25	Cents
Los Angeles & Colbran, Colo.*	844		1.48
Denver & Havre, Mont.	856		1.45
Denver & Nampa, Idaho	831		1.35
San Francisco & Price, Utah	851		1.27
Kansas City & Alamogordo, N.M.	845		1.10
Denver & Pollock, Idaho*	962		1.55
Los Angeles & Aspen, Colo.*	932		1.43
Chicago & Scottsbluff, Nebr.	910		1.41
San Francisco & Moab, Utah	927		1.22
Kansas City & Gallup, N.M.	922		1.08
Denver & Eureka, Mont.*	1065		1.43
San Francisco & MexicanHat, Ut.	1077		1.28
Los Angeles & Denver	1059		1.23
Denver & Coeur d'Alene, Idaho	1058		1.09

* Asterisk identifies non-rate-group points. See Chapter 5 and Table 1 in each state data set in Appendix 5.

mileages, New Mexico and Utah tend to be the lowest rated.

The observer will note that the differences are not very great in cents per hundred pounds per mile. Percentagewise, however, they are important. On heavy shipments moving long distances a small difference in cents per mile can mean a very large difference in total freight charges paid.

Some evidence is present to indicate that not all of the differences are due to differences in costs and revenues. For instance, a heavy traffic volume would be expected between Los Angeles and Salt Lake City. Also, highway and terrain characteristics are relatively favorable to low cost operation. Thus, a rate of 1.19 cents per hundred pounds per mile for this 752-mile haul could appear reasonable. Much lighter traffics and perhaps more difficult route characteristics must prevail between Kansas City and Alamogordo, New Mexico, with a rate of 1.10 cents per mile, between Kansas City and Gallup, New Mexico, with a rate of 1.08 cents per mile, or Denver and Coeur d'Alene, Idaho, with a rate of 1.09 cents per mile.

Table 6.1A presents an arrangement of all rates tabulated in Chapter 5. In this table all point to point journeys are listed in order of increasing mileage to permit comparison of rates in cents per hundred pounds per mile for hauls of approximately the same length.

Sub-conclusion

One may conclude that rate levels are different in different parts of the project study area. The differences are not necessarily based upon differing cost and traffic characteristics.

Rail-Highway Rate-Mile Relationships

Motor freight carriers began to compete seriously with the railroads (principally for short-haul or medium-haul less-than-carload freight) in the late twenties and early thirties. Frequently, they charged the rail rate and gave the added service of free pick up and delivery (which the railroads did not).[1]

In the project study area, highway routes frequently paralleled or approximated established rail routes. When the motor freight carriers of the region were brought under federal regulation in 1935, they were required on relatively short notice to publish classifications and freight rate tariffs for the services they were offering. The original National Motor Freight Classification closely resembled the Consolidated Freight Classification then used by the railroads. Motor carrier freight rates in the project study area were also based strongly upon existing railroad rates. They were not necessarily identical but they were closely related.

---

[1]See, for instance, Wayne G. Broehl, Jr., Trucks, Trouble, and Triumph, (New York: Prentice-Hall, Inc., 1954), p. 22.

TABLE 6.1 A

Comparison of Rate Levels for All Hauls Listed in
Tables C.3, I.3, M.3, Neb.3, NM.3, ND.3, SD.3, U.3 and W.3

Arranged in Order of Increasing Mileage

Table	Origin	Point & State		Miles	Rate	Per mile/cwt.
W.3	Denver	Cheyenne	Wyo.	100	403	4.03¢
W.3	Denver	Laramie	Wyo.	129	518	4.02
W.3	Denver	LaGrange	Wyo.	160	643	4.02
W.3	Denver	Dwyer	Wyo.	198	643	3.25
SD.3	Minneapolis	Brookings	S.D.	204	687	3.37
SD.3	Minneapolis	Watertown	S.D.	204	687	3.37
SD.3	Minneapolis	Bruce	S.D.	216	733	3.39
W.3	Denver	Hartville	Wyo.	216	695	3.22
W.3	Denver	Rawlins	Wyo.	230	680	2.96
SD.3	Minneapolis	Sioux Falls	S.D.	234	693	2.96
ND.3	Minneapolis	Fargo	N.D.	236	615	2.60
SD.3	Minneapolis	Canton	S.D.	256	739	2.89
W.3	Denver	Casper	Wyo.	275	578	2.10
SD.3	Minneapolis	Huron	S.D.	278	757	2.72
SD.3	Minneapolis	Aberdeen	S.D.	280	741	2.65
SD.3	Minneapolis	Warner	S.D.	288	787	2.73
SD.3	Minneapolis	Alexandria	S.D.	290	803	2.77
SD.3	Minneapolis	Mitchell	S.D.	299	757	2.53
SD.3	Minneapolis	Yankton	S.D.	311	741	2.39
ND.3	Minneapolis	Grand Forks	N.D.	314	669	2.13
W.3	Denver	Newcastle	Wyo.	320	842	2.63
ND.3	Minneapolis	Jamestown	N.D.	330	797	2.42
W.3	Denver	Rock Springs	Wyo.	338	832	2.46
W.3	Denver	Gillette	Wyo.	342	989	2.89
W.3	Denver	Amax	Wyo.	360	1111	3.09
W.3	Denver	Riverton	Wyo.	381	820	2.15
W.3	Denver	Arvada	Wyo.	389	1033	2.66
ND.3	Minneapolis	Crary	N.D.	394	861	2.19
SD.3	Minneapolis	Pierre	S.D.	394	888	2.25
ND.3	Minneapolis	Devil's Lake	N.D.	404	827	2.05
ND.3	Minneapolis	Nekoma	N.D.	416	915	2.20
W.3	Denver	Sheridan	Wyo.	424	866	2.04
ND.3	Minneapolis	Langdon	N.D.	428	915	2.14
ND.3	Minneapolis	Bismarck	N.D.	429	916	2.14
ND.3	Minneapolis	Mandan	N.D.	435	916	2.11

Table 6.1 A - page 2

Table	Origin	Point & State		Miles	Rate	Per mile/cwt.
Neb.2	Chicago	Omaha	Neb.	459	865	1.88¢
ND.3	Minneapolis	Bergen	N.D.	464	970	2.09
M.3	Denver	Ashland	Mont.	476	1198	2.52
W.3	Denver	Cody	Wyo.	489	1034	2.11
Neb.2	Chicago	Fremont	Neb.	491	905	1.84
ND.3	Minneapolis	Minot	N.D.	499	1030	2.06
M.3	Denver	Miles City	Mont.	515	1105	2.15
W.3	Denver	Jackson	Wyo.	515	1069	2.08
Neb.2	Chicago	Lincoln	Neb.	516	916	1.78
SD.3	Minneapolis	Enning	S.D.	522	1148	2.20
ND.3	Minneapolis	Lefor	N.D.	525	1072	2.04
Neb.2	Chicago	Norfolk	Neb.	528	970	1.84
ND.3	Minneapolis	Dickinson	N.D.	530	1038	1.96
Neb.2	Chicago	Columbus	Neb.	536	956	1.78
M.3	Denver	Billings	Mont.	555	1034	1.86
SD.3	Minneapolis	Rapid City	S.D.	565	1045	1.85
SD.3	Minneapolis	Black Hawk	S.D.	571	1091	1.91
SD.3	Minneapolis	Lead	S.D.	586	1102	1.88
Neb.2	Chicago	Grand Island	Neb.	596	1012	1.70
I.3	Denver	Idaho Falls	Idaho	597	960	1.61
I.3	Denver	Pocatello	Idaho	598	926	1.55
I.3	Denver	Blackfoot	Idaho	617	960	1.56
Neb.2	Chicago	Hastings	Neb.	617	1012	1.64
ND.3	Minneapolis	Williston	N.D.	628	1066	1.70
Neb.2	Chicago	Kearney	Neb.	638	1038	1.63
U.3	San Francisco	Wendover	Utah	638	808	1.27
M.3	Denver	Melstone	Mont.	643	1190	1.85
I.3	Denver	Burley	Idaho	648	1007	1.55
NM.3	Kansas City	Clovis	N.M.	651	801	1.23
ND.3	Minneapolis	Buford	N.D.	663	1100	1.66
M.3	Denver	Heath	Mont.	680	1081	1.59
I.3	Denver	Twin Falls	Idaho	688	1007	1.46
M.3	Denver	Froid	Mont.	689	2029	2.94
M.3	Denver	Bozeman	Mont.	695	1050	1.51
U.3	San Francisco	St. George	Utah	696	1172	1.68
U.3	San Francisco	Delta	Utah	697	1143	1.64
M.3	Denver	Moccasin	Mont.	699	1347	1.51
M.3	Denver	Medicine Lake	Mont.	700	2029	2.90
M.3	Denver	Glasgow	Mont.	709	1315	1.85
M.3	Denver	Plentywood	Mont.	721	2029	2.81
Neb.2	Chicago	North Platte	Neb.	734	1171	1.60
U.3	San Francisco	Tooele	Utah	736	1087	1.48
U.3	San Francisco	Nephi	Utah	748	1102	1.47
U.3	San Francisco	Salt Lake City	Utah	752	896	1.19
NM.3	Kansas City	Santa Fe	N.M.	752	928	1.23

Table 6.1 A - page 3

Table	Origin	Point & State		Miles	Rate	Per mile/cwt.
NM.3	Kansas City	Espanola	N.M.	755	905	1.20¢
M.3	Denver	Belt	Mont.	760	1226	1.61
NM.3	Kansas City	Roswell	N.M.	762	868	1.14
NM.3	Kansas City	New Mexico State Penitentiary	N.M.	763	977	1.28
M.3	Denver	Scobey	Mont.	764	2029	2.66
NM.3	Kansas City	Hobbs	N.M.	768	905	1.18
NM.3	Kansas City	Los Alamos	N.M.	772	961	1.24
C.3	Los Angeles	Towaoc	Colo.	777	1449	1.86
M.3	Denver	Butte	Mont.	778	1120	1.44
U.3	San Francisco	Kanab	Utah	778	1406	1.81
M.3	Denver	Great Falls	Mont.	781	1120	1.43
M.3	Denver	Helena	Mont.	781	1120	1.43
NM.3	Kansas City	Albuquerque	N.M.	782	928	1.19
U.3	San Francisco	Richfield	Utah	787	1172	1.49
U.3	San Francisco	Logan	Utah	790	934	1.18
M.3	Denver	Vaughn	Mont.	794	1226	1.54
C.3	Los Angeles	Durango	Colo.	801	1301	1.62
C.3	Los Angeles	Grand Junction	Colo.	803	1061	1.32
U.3	San Francisco	Circleville	Utah	807	1406	1.74
I.3	Denver	Boise	Idaho	811	1068	1.32
U.3	San Francisco	Marysvale	Utah	817	1406	1.72
NM.3	Kansas City	Carlsbad	N.M.	828	917	1.11
I.3	Denver	Nampa	Idaho	831	1120	1.35
C.3	Los Angeles	Naturita	Colo.	836	1575	1.88
C.3	Los Angeles	Colbran	Colo.	844	1245	1.48
NM.3	Kansas City	Alamogordo	N.M.	845	928	1.10
U.3	San Francisco	Price	Utah	851	1085	1.27
NM.3	Kansas City	Duval Sulphur & Potash Co.	N.M.	853	959	1.12
M.3	Denver	Havre	Mont.	856	1243	1.45
NM.3	Kansas City	Farmington	N.M.	868	1008	1.16
NM.3	Kansas City	Ambrosia Lake Vicinity	N.M.	880	1076	1.22
NM.3	Kansas City	Arizona Public Service Commission near Fruitland	N.M.	883	1145	1.30
M.3	Denver	Missoula	Mont.	891	1230	1.38
NM.3	Kansas City	White Sands Missile Range (Cantonment Area)	N.M.	892	1049	1.18
U.3	San Francisco	Duchesne	Utah	902	1299	1.44
Neb.2	Chicago	Scottsbluff	Neb.	910	1287	1.41
NM.3	Kansas City	Las Cruces	N.M.	914	1008	1.10
NM.3	Kansas City	Gallup	N.M.	922	996	1.08
U.3	San Francisco	Vernal	Utah	923	1299	1.41
C.3	Los Angeles	Creede	Colo.	926	1706	1.84

Table 6.1 A - page 4

Table	Origin	Point & State		Miles	Rate	Per mile/cwt.
U.3	San Francisco	Moab	Utah	927	1129	1.22¢
C.3	Los Angeles	Aspen	Colo.	932	1336	1.43
NM.3	Kansas City	White Sands Missile Area other than Cantonment Area	N.M.	942	1205	1.28
I.3	Denver	Pollock	Idaho	962	1491	1.55
U.3	San Francisco	Bonanza	Utah	968	1423	1.47
I.3	Denver	Riggins	Idaho	970	1491	1.54
U.3	San Francisco	Blanding	Utah	1005	1306	1.30
M.3	Denver	Kalispell	Mont.	1011	1361	1.35
I.3	Denver	Grangeville	Idaho	1022	1391	1.36
I.3	Denver	Wallace	Idaho	1031	1391	1.12
C.3	Los Angeles	Walden	Colo.	1037	1815	1.75
I.3	Denver	Cottonwood	Idaho	1037	1375	1.33
I.3	Denver	Kamiah	Idaho	1049	1382	1.32
I.3	Denver	Craigmont	Idaho	1053	1358	1.29
I.3	Denver	Coeur d'Alene	Idaho	1058	1152	1.09
C.3	Los Angeles	Denver	Colo.	1059	1306	1.23
M.3	Denver	Eureka	Mont.	1065	1524	1.43
C.3	Los Angeles	Pueblo	Colo.	1073	1306	1.22
I.3	Denver	Spalding	Idaho	1073	1308	1.22
C.3	Los Angeles	Boulder	Colo.	1076	1467	1.36
U.3	San Francisco	Mexican Hat	Utah	1077	1377	1.28
C.3	Los Angeles	Allenmine	Colo.	1083	1443	1.33
I.3	Denver	Lewiston	Idaho	1085	1152	1.06
C.3	Los Angeles	Colorado Springs	Colo.	1093	1354	1.24
I.3	Denver	Pierce	Idaho	1094	1397	1.28
C.3	Los Angeles	La Junta	Colo.	1098	1357	1.23
C.3	Los Angeles	Norad	Colo.	1103	1425	1.29
I.3	Denver	Orofino	Idaho	1104	1358	1.23
C.3	Los Angeles	Springfield	Colo.	1109	1769	1.60
C.3	Los Angeles	Greeley	Colo.	1113	1354	1.22
C.3	Los Angeles	Fort Collins	Colo.	1116	1354	1.21
C.3	Los Angeles	Akron	Colo.	1171	1714	1.46
C.3	Los Angeles	Eads	Colo.	1174	1641	1.40
C.3	Los Angeles	Sterling	Colo.	1183	1354	1.14
C.3	Los Angeles	Cheyenne Wells	Colo.	1231	1641	1.33
C.3	Los Angeles	Holyoke	Colo.	1231	1776	1.44
C.3	Los Angeles	Wray	Colo.	1235	1769	1.43

While the national highway system has been greatly improved, relocated and shortened since the thirties, the railroads, being inflexible, have retained almost the identical route patterns of that time. Also the Western railroads, in particular, were built through undeveloped territory. Since construction was moving westward, branch lines tended to run away from the main line in northwesterly or southwesterly directions. Therefore, journeys originating in the West must go back to the fork in the lines and then reverse direction to reach a point on another line. Highways, however, tend to go more or less directly between all points and to bridge the legs or "tines" of forked railroad lines. For instance, one may go from Ogden, Utah, to Billings, Montana, via two railroad routes. He may proceed eastward to Cheyenne, Wyoming, a distance of 483 miles and then go northward 550 miles to Billings for a total of 1033 miles. Or he may go north 397 miles to Butte and then east 236 miles to Billings for a total of 633 miles. The highway mileage from Ogden to Billings, on the other hand, is 521 miles.

Rail-Highway Rate-Mile Data Comparison

Table 6.2 presents data designed to examine the hypothesis that motor freight carrier rates tend to be based upon railroad mileages. As discussed above, it is common for rail mileages between two points to exceed highway mileages. Therefore, this hypothesis or assertion perhaps carries with it the implication that if motor freight carrier rates are based on rail mileages, the rates are inordinately high. One point of view might be that the motor freight carrier should take advantage of his shorter journey and publish an attractive rate. Although such a view would be an oversimplification which failed to consider a possibly higher truck cost per mile, a complete equality of rail and truck rates might lend credence to the hypothesis stated above.

A sample of origins and destinations was obtained by selecting the capitals of the nine states in the project study area. Short-line railroad and highway mileages were then obtained between each capital and its counterpart in every other state. The Class 100 less-than-carload and less-than-truckload rates between all pairs of capitals were then obtained. The rates used in this comparison are essentially those which apply on shipments having a minimum weight of about 6000 pounds.

As explained in Chapter 2, the railroads have, in recent years, undertaken to phase out the carriage of small shipments which require freight house handling. Therefore, they accept only LCL shipments loaded by shipper and unloaded by consignee and exceeding several thousand pounds in weight. (This minimum weight ranges from 4000 to 6000 pounds, depending on the railroad. In the project study area the minimum is usually 6000 pounds).

For the above reason Table 6.2 presents the motor freight carrier 5000-pound rate in comparison to the rail LCL rates. It must be noted that there are also published in most motor carrier tariffs at least two levels of rates for smaller quantities.* Such LTL rates would be higher

---

*Different levels of class rates for different weight shipments are sometimes referred to as "grasshopper scales." The term is subsequently discussed more fully.

TABLE 6.2

COMPARISON OF SAMPLES OF RAIL AND MOTOR FREIGHT CARRIER ROUTE MILES AND RATES IN PROJECT STUDY AREAS

Between	Rail Miles	Highway Miles	Rail Rate	Motor Carrier Rate	Rail ¢ per 100 per Mile	Trucks ¢ per 100 per Mile
Bismarck and Boise	* 1593	1033	1176	1017	0.74	.98
Bismarck and Salt Lake City	+ 1436	926	1135	956	.79	1.03
Boise and Lincoln	+ 1321	1211	1162	967	.88	.80
Boise and Pierre	1309	1079	1212	1006	.93	.93
Boise and Santa Fe	1306	973	1234	955	.94	+ .98
Bismarck and Santa Fe	1290	1030	1031	979	.80	.95
Helena and Santa Fe	1289	1088	1211	985	.94	+ .91
Pierre and Salt Lake City	+ 1154	832	1058	1035	.92	1.24
Helena and Lincoln	1076	1061	1068	901	.99	.85
Lincoln and Salt Lake City	+ 1024	905	959	823	.94	.91
Pierre and Santa Fe	1007	863	891	870	.88	1.01
Salt Lake City and Santa Fe	935	611	970	737	1.04	1.21
Boise and Denver	880	837	880	830	1.00	+ .99
Bismarck and Denver	867	674	815	907	.94	1.35
Denver and Helena	863	785	917	763	1.06	.97
Lincoln and Santa Fe	853	754	815	712	.96	.94
Helena and Pierre	827	697	943	756	1.14	1.03
Bismarck and Cheyenne	807	575	789	879	.98	1.53
Boise and Cheyenne	786	757	916	830	1.17	1.10
Cheyenne and Helena	757	697	864	784	1.14	1.12
Bismarck and Lincoln	698	599	698	655	1.00	+ 1.09
Bismarck and Helena	675	622	790	842	1.17	1.35
Denver and Pierre	585	525	651	712	1.11	1.36
Denver and Salt Lake City	569	510	752	680	1.32	1.33
Boise and Helena	569	495	751	662	1.32	+ 1.34
Cheyenne and Santa Fe	532	456	615	758	1.16	1.66
Cheyenne and Pierre	524	443	615	690	1.17	1.56
Cheyenne and Salt Lake City	519	451	708	680	1.36	1.51
Helena and Salt Lake City	505	477	708	633	1.40	1.33
Denver and Lincoln	484	488	589	640	1.22	+ 1.31
Lincoln and Pierre	459	397	614	576	1.34	+ 1.45
Cheyenne and Lincoln	455	454	560	620	1.23	1.37
Denver and Santa Fe	426	356	614	475	1.44	1.33
Boise and Salt Lake City	405	362	629	487	1.55	1.35
Bismarck and Pierre	401	208	457	477	1.14	2.29
Cheyenne and Denver	106	100	303	253	2.86	2.53

(Source Note and Footnotes on next page.)

Table 6.2
Concluded

SOURCES: Union Pacific, Distance Tariff No. 4000-B; Household Goods Tariff Bureau, Mileage Guide No. 10; Chicago and Eastern Illinois, Fast Frater; Appropriate rate tariffs as cited in Maps and Tables of Chapter 5.

*Combination over Cheyenne
+Combination over Denver

The railroad rates shown are Class 100 LCL rates. The railroads will not handle any shipment of less than 6000 pounds (differs with railroad) on these rates and the shipment must not involve freight house handling.

The motor freight carrier rates shown are Class 100 LTL rates applying upon quantities of at least 5000 pounds. Thus, they may be considered competitive to the rail rates shown. The truck rates include pickup and delivery.

All rates as effective September 1, 1974.

than the truck rates shown in Table 6.2 but they could not presently be considered as directly competitive with rail rates.

Discussion of Table 6.2

Table 6.2 in Appendix 6 presents the Class 100 rail LCL and truck LTL rates which would accommodate a shipment of 6000 pounds between any pair of state capitals in the nine-state study area. The first two columns show the comparative mileages of the modes; the last two columns give the rate of each mode in cents per hundred pounds per mile.

Examination of the table reveals that, with one exception (between Denver, Colorado, and Lincoln, Nebraska) the railroad mileage is always greater than the highway mileage. In 28 of the 36 cases shown, the motor freight carrier rate is lower than the rail rate. In the remaining eight cases, of course, the railroad rate is lower.

It is well established that, on the average, truck costs per ton mile are higher than railroad costs per ton mile. Therefore, for hauls of approximately equal distance, it could be expected that motor freight carrier rates (which should reflect this higher per-ton-mile cost) should be higher on a cents per hundred pounds per mile basis than the parallel railroad rate.

In 16 of the 36 cases shown in Table 6.2, the motor freight carrier rate in cents per hundred pounds per mile was the same or lower than the rail rate for the same haul. In seven additional cases the motor carrier rate per hundred/per mile is within 10 percent of the rail rate.

Possible conclusions. There is no question that motor freight carrier rates in many cases were originally based upon railroad mileages, because the men who made the rates say it is so. From the data in Table 6.2, however, one must conclude that the effect of rail mileage upon motor carrier rates has been substantially modified by the passage of time. No doubt other factors are more important in today's rate-making decision.

Class Rate Percentage Relationships

The process of freight classification and the concept of class rates have been explained in Chapter 3. Before 1952 the class rating categories applicable to railroad and motor freight carrier class rates differed in the various regions of the country. Three separate systems of classification were in use in rail transportation and at least five were used in truck transport. Class ratings and the class rates applicable to each class rating were not necessarily logically related. Also, there was no uniform relationship between class rates and mileage.

In 1939 the Interstate Commerce Commission instituted proceedings known as Dockets 28300 and 28310, Class Rate Investigation, 1939. As a result of these proceedings the railroads were ordered to establish a uniform system of class rates based on mileage for the territory east of the Rocky Mountains. A uniform classification was also prescribed.

These changes finally became effective in 1952. Later, Docket 30416, Class Rates, Mountain-Pacific Territory, effective 1956, established a modified class rate scale and extended the Uniform Freight Classification to the area west of the Rocky Mountains.

The motor freight carriers voluntarily followed the lead set by these proceedings and established their own uniform classification and class rates constructed similar to those of the railroads.

A feature of the railroad so-called uniform class rate system is that the different classification categories or class ratings, to which different varieties of commodities are assigned, are supposed to be percentages of each other. Class 100 is taken as the basic class rating. Effectively, then, class rates become a schedule which gives the rate per hundred pounds for moving Class 100 merchandise every possible distance that it can be hauled. Other classes of goods then move on rates which are either multiples or percentages of the Class 100 rate. Thirty-one classes are in use ranging from Class 400 down to Class 13. If the Class 100 rate were 200 cents, the Class 400 rate would be 800 cents, and so forth.

Hypothesis about Motor Carrier Class Rates

Since the 1950's motor freight carrier class rates have supposedly closely imitated rail class rates with the rate for each class rating being a standard percentage of the Class 100 rate. During the last two decades or more, freight rates in general have been greatly increased. If only the Class 100 rate is increased and rates from the other classes derived from it, the original percentage relationships are maintained. However, many rate increases have been "across the board," which tends to distort the comparative percentages.

In addition, motor freight carriers have continually phased in rates designed to recover the higher costs of handling small shipments while not overpricing the larger shipments so they would be captured by competitive transport modes. One method of doing this is through the publication of "grasshopper scales." Previous to the adoption of this concept, motor freight carriers published essentially two levels of rates--one for "less-than-truckload" lots and one for volume shipments which exceeded the minimum weight required to obtain a lower volume rate. Under a "grasshopper scale" the rate decreases at a number of "weight breaks" so that there are several rates for each class--perhaps an LTL rate, a 1000-pound, a 2000-pound, a 5000-pound, and a truckload rate. If increases are applied to these weight groups separately, a distortion of the class rate percentages again occurs.

The hypothesis. The contention has been stated that the percentage relationships between motor freight carrier class rates and the appropriate class ratings in the project study area have become distorted because of increase situations such as those described above. This can be accepted as an hypothesis for testing.

Data to Examine Hypothesis

In order to deal with this hypothesis, certain rate bases were selected for examination from the class rate sections of tariffs already examined in previous portions of this study. These are presented as Tables 6.3 through 6.12. These tables were constructed by taking excerpts from the class rate pages of two Middlewest Motor Freight Tariff Bureau tariffs, one Pacific Inland Tariff Bureau tariff, and seven Rocky Mountain Motor Tariff Bureau tariffs. In each case, one rate basis rate set, for a selected haul, has been set forth in the table. The results are itemized below.

Table 6.3. This table is from Middlewest Tariff MWB 502-A and presents rates between Minneapolis and Denver. Unlike most of the other tables, this table shows multiples of the Class 100 rate as well as percentages of it. The multiples of Class 100 tend to be on the low side of the true percentage although they approach the true percentage in the higher weight brackets. The percentages of Class 100 tend to be on the high side of the true percentage and they tend to be higher for small shipments. For instance, in the "LTL" category there is an effective rate stop at Class 46 although a supposed Class 35 is published for that weight group. It may be noted that the percentages of Class 100 are nearly true percentages at the Volume Truckload (VT) level.

Table 6.4. This table is also a Middlewest Motor Freight Bureau tariff and the haul selected was that between Kansas City and Roswell, New Mexico. The multiples of Class 100 are again understated but they are slightly more uniform than in Table 6.3. The percentages of Class 100 are only slightly on the high side until Class 50 is passed. Then, in the standard classes an effective rate stop of Class 50 has been built in (except for Class 31). Special classifications carrying an "A" designation have been inserted. (These are, essentially, exceptions to classification applying only on a few commodities and a few origins.)

Table 6.5. Pacific Inland Tariff Bureau Tariff 308-A is represented by this table. The haul is between Spokane, Washington and Grangeville, Idaho. No multiples of Class 100 are shown. These are published in another section of the tariff which converts Class 100 rates into true multiples of Class 100 so no distortion occurs. The percentages of Class 100, however, are another matter. This tariff groups all the percentage classes into five groups. Although this format purports to cover all classes, it in effect limits the available classes to Class 100 and approximations of Class 85, Class 70, and Class 60. For all weight groups except truckload (TL) there is a built-in rate stop at approximately Class 60. For truckloads the effective rate stop is Class 50 although the heading conveys the impression that a Class 35 or at least a Class 45 rate is being assessed.

Table 6.6. This table was derived from Rocky Mountain Tariff Bureau RMB 301 applicable between Phoenix, Arizona, and Albuquerque, New Mexico. This tariff was originally published by the Interstate Freight Carriers Conference of Los Angeles which was absorbed by the Rocky Mountain Bureau. The tariff retains some of its original characteristics and differs somewhat from other Rocky Mountain tariffs.

(Text continued on page 6.19)

TABLE 6.3

True Percentage Relationship of Class Rates
Middlewest Motor Freight Bureau Tariff MWB 502-A

*Figures in column following each rate column indicate the true percentage which the rate is of the Class 100 rate.

Table of Class Rates and Charges

RATE BASIS NUMBER	WEIGHT GROUP	CLASSES									
		600	500	400	300	250	200	175	150	125	110
		Rates in Cents per 100 Pounds									
		* %	* %	* %	* %	* %	* %	* %	* %	* %	* %
1076 to 1100 (between Minneapolis & Denver)	LTL	6771 534	5479 432	4428 349	3372 266	2847 224	2319 183	2058 162	1796 139	1533 121	1371 108
	500 #	6673 569	5379 459	4328 369	3278 280	2748 234	2224 190	1964 168	1698 145	1433 122	1277 109
	1000 #	6294 588	5051 472	4057 379	3063 286	2563 240	2066 193	1820 170	1574 147	1320 123	1172 110
	2000 #	6134 594	5019 486	4021 389	3028 293	2528 245	2031 197	1782 173	1532 148	1282 124	1132 110
	5000 #	5183 600	4240 491	3395 392	2552 295	2131 247	1710 198	1499 173	1286 149	1075 124	950 110
	VT	4381 594	3655 495	2928 397	2199 298	1837 249	1469 199	1284 174	1104 150	919 125	812 110

WEIGHT GROUP	100	92½	85	77½	70	65	60	55	50	47	45	40	37½	35
	Rates in Cents per 100 Pounds													
	* %	* %	* %	* %	* %	* %	* %	* %	* %	* %	* %	* %	* %	* %
LTL	1269 100	1192 94	1107 87	1030 81	951 75	903 71	845 67	793 62	742 58	... ..	... ..	... ..	... ..	584 46
500 #	1172 100	1098 94	1013 86	933 80	852 73	808 69	748 64	694 59	645 55	... ..	... ..	... ..	... ..	488 42
1000 #	1070 100	997 93	919 86	848 79	773 72	726 68	670 63	620 58	575 54	... ..	... ..	... ..	... ..	426 40
2000 #	1033 100	960 93	886 86	812 79	731 71	687 67	636 62	584 57	532 52	... ..	... ..	... ..	... ..	385 37
5000 #	864 100	804 93	737 85	677 78	611 71	570 66	530 61	484 56	440 51	415 48	402 47	... ..	... ..	315 36
VT	738 100	684 93	626 85	577 78	522 71	481 65	448 61	413 56	374 51	... ..	338 46	302 41	282 38	264 36

TABLE 6.4

True Percentage Relationship of Class Rates
Middlewest Motor Freight Bureau Tariff MWB 540

*Figures in column following each rate column indicate the true percentage which the rate is of the Class 100 rate.

Table of Class Rates and Charges

RATE BASIS NUMBER	WEIGHT GROUP	CLASSES													
		600		500		400		300		250		200		175	
		Rates in Cents per 100 Pounds													
			*%		*%		*%		*%		*%		*%		*%
738 (between Kansas City & Roswell, New Mexico)	LTL	5331	599	4337	487	3473	390	2611	293	2181	245	1747	196	1534	172
	1500 #	4844	599	3934	486	3151	389	2369	293	1977	244	1584	196	1395	172
	5000 #	4229	602	3434	488	2751	391	2067	294	1727	246	1384	197	1217	173
	VT	3531	591	2943	493	2355	394	1771	296	1479	248	1185	198	1037	174

WEIGHT GROUP	150		125		110		100		92½		85		77½		70		65		60	
	Rates in Cents per 100 Pounds																			
		*%		*%		*%		*%		*%		*%		*%		*%		*%		*%
LTL	1317	148	1104	124	972	109	890	100	821	92.2	756	85	692	77.7	628	71	586	66	543	61
1500 #	1198	148	1000	124	886	110	809	100	744	91.9	690	85	631	77.9	570	70	536	66	492	61
5000 #	1048	149	874	124	771	110	703	100	650	92.4	603	86	548	78	496	71	466	66	431	61
VT	891	149	743	124	656	110	597	100	554	92.8	509	85	467	78	424	71	392	66	362	61

WEIGHT GROUP	55		50		45		40		40A		37½		35		35A		32½A		31		27½A	
	Rates in Cents per 100 Pounds																					
		*%		*%		*%		*%		*%		*%		*%		*%		*%		*%		*%
LTL	501	56	457	51	...	..	...	..	...	..	...	..	...	..	...	..	...	..	...	..	...	..
1500 #	460	57	416	51	...	..	...	..	...	..	...	..	...	..	...	..	...	..	...	..	...	..
5000 #	401	57	361	51	...	..	...	..	...	..	...	..	...	..	...	..	...	..	...	..	...	..
VT	331	55	304	51	303	51	302	51	244	41	300	50	299	50	220	37	198	33	196	33	170	28

TABLE 6.5

True Percentage Relationship of Class Rates
Pacific Inland Tariff Bureau, Inc.

*Figures in column following each rate column indicate the true percentage which the rate is of the Class 100 rate.

Table of Class Rates for Classes 100 and Lower
(For rates on classes higher than Class 100, see Section 6-A)

RATE BASIS NUMBER	WEIGHT GROUP	CLASSES 100 92 1/2		85 77 1/2		70 65		60 55 50		45 40 37 1/2 35	
		Rates in Cents per 100 Pounds									
			*%		*%		*%		*%		*%
294	LTL	506	100	434	86	358	71	306	60	...	..
(between	1M	463	100	396	85	327	71	278	60	...	..
Spokane	5M	361	100	307	85	253	70	218	60	...	..
Wash. and	10M	298	100	250	84	201	67	169	57	...	..
Grangeville,	20M	284	100	238	84	188	66	156	55	...	..
Idaho)	TL	334	100	285	85	233	70	204	61	166	50

TABLE 6.6

True Percentage Relationship of Class Rates
Rocky Mountain Motor Tariff Bureau, Inc. Tariff ICC RMB 301

*Figures in column following each rate column indicate the true percentage which the rate is of the Class 100 rate.

Table of Class Rates for Classes 100 and Lower
(For rates on classes higher than Class 100, see Item 1300)

RATE BASIS NUMBER	WEIGHT GROUP	CLASSES										
		100	92.5	85	77.5	70	65	60	55	50	45	40
		Rates in Cents per 100 Pounds										
		*%	*%	*%	*%	*%	*%	*%	*%	*%	*%	*%
532-A	LTL	827 100	784 95	745 90	700 85	661 80	642 78	617 75	578 70	578 70	... ..	... ..
(between	1M	797 100	755 95	720 90	675 85	637 80	618 78	595 75	557 70	557 70	... ..	... ..
Phoenix,	2M	751 100	710 95	680 91	637 85	601 80	582 78	563 75	524 70	524 70	... ..	... ..
Ariz.,and	5M	668 100	632 95	601 90	562 85	530 80	511 77	492 74	459 69	459 69	... ..	... ..
Albuquer-	10M	634 100	601 95	568 90	531 84	496 78	483 76	464 73	427 67	427 67	... ..	... ..
que,N.M.)	TL	710 100	673 95	641 90	601 85	568 80	551 78	532 75	496 70	496 70	349 49	313 44

All Rocky Mountain tariffs, however, use a system whereby multiples of Class 100 are published in a table under an item number separate from the percentage of Class 100 scales. This table gives standard multiples of Class 100 so there is no percentage distortion for classes above Class 100.

As may be seen in Table 6.6, however, the true percentages of Class 100 in Tariff RMB 301 are substantially higher than the percentage class ratings they are supposed to represent. With the exception of truckload quantities at Class 45 and Class 40, there is a built-in rate stop at Class 70.

Tables 6.7 through 6.12. The remaining tables in Appendix 6 were generated from other important Rocky Mountain Motor Tariff Bureau tariffs which were referred to in previous parts of this study. The applicable tariff and the particular haul chosen from it are identified on each table. These tariffs, again, are all multiples of Class 100 in a separate item and there is no distortion in those classes.

Examination of these tables shows that there is also very little distortion in the percentages of Class 100 in these Rocky Mountain tariffs. All classes for all weight groups are nearly at the true percentage of Class 100.

Sub-conclusion Regarding Percentage Relationships

The distortion of the relationship of class rates to their appropriate percentage class ratings is not as great as some of the allegations which have been made. However, it would seem that any distortion is unnecessary. The class rate system is designed to take care of the differing transportation characteristics of different goods by means of the classification tariff. Once this has been done, it seems illogical to make another adjustment in the class rate tariff.

The next chapter investigates the subject of commodity rates.

TABLE 6.7

True Percentage Relationship of Class Rates
Rocky Mountain Motor Tariff Bureau, Inc. Tariff ICC RMB 302-A

*Figures in column following each rate column indicate the true percentage which the rate is of the Class 100 rate.

Table of Class Rates for Classes 100 and Lower
(For rates on classes higher than Class 100, see Item 1300)

RATE BASIS NUMBER	WEIGHT GROUP	CLASSES																					
		100		92.5		85		77.5		70		65		60		55		50		45		40		37.5	
		Rates in Cents per 100 Pounds																					
			*%		*%		*%		*%		*%		*%		*%		*%		*%		*%		*%
822-A	LTL	910	100	842	93	774	85	705	77	637	70	591	65	545	60	544	60	543	60	...	..	...	..	...	..
(between	1M	801	100	741	93	681	85	620	77	560	70	521	65	481	60	441	55	401	50	...	..	...	..	...	..
Dallas and	2M	746	100	690	92	634	85	578	77	523	70	485	65	447	60	411	55	373	50	...	..	...	..	...	..
Denver)	5M	683	100	632	92	580	85	529	77	479	70	444	65	410	60	375	55	342	50	...	..	...	..	...	..
	TL	637	100	589	92	541	85	494	78	446	70	414	65	382	60	350	55	319	50	287	45	254	40	239	38

TABLE 6.8

True Percentage Relationship of Class Rates
Rocky Mountain Motor Tariff Bureau, Inc. Tariff ICC RMB 304-A

*Figures in column following each rate column indicate the true percentage which the rate is of the Class 100 rate.

Table of Class Rates for Classes 100 and Lower
(For rates on classes higher than Class 100, see Item 1300)

RATE BASIS NUMBER	WEIGHT GROUP	CLASSES																					
		100		92.5		85		77.5		70		65		60		55		50		45		40		37.5		35	
		Rates in Cents per 100 Pounds																							
			*%		*%		*%		*%		*%		*%		*%		*%		*%		*%		*%		*%
646	LTL	1148	100	1066	93	981	85	897	78	818	71	757	66	704	61	647	56	592	52	...	..	...	..	...	..	...	..
(between	1M	1000	100	931	93	856	86	785	79	710	71	663	66	615	62	566	57	517	52	...	..	...	..	...	..	...	..
Denver	2M	923	100	854	93	784	85	713	77	645	70	601	65	557	60	506	55	460	50	...	..	...	..	...	..	...	..
& Great	5M	879	100	813	92	745	85	681	77	613	70	572	65	528	60	483	55	439	50	...	..	...	..	...	..	...	..
Falls)	TL	828	100	767	93	704	85	645	78	581	70	541	65	497	60	458	55	419	51	374	45	335	40	314	38	295	36

TABLE 6.9

True Percentage Relationship of Class Rates
Rocky Mountain Motor Tariff Bureau, Inc. Tariff ICC RMB 319-A

*Figures in column following each rate column indicate the true percentage which the rate is of the Class 100 rate.

Table of Class Rates for Classes 100 and Lower
(For rates on classes higher than Class 100, see Item 1300)

RATE BASIS NUMBER	WEIGHT GROUP	CLASSES												
		100	92.5	85	77.5	70	65	60	55	50	45	40	37.5	35
		Rates in Cents per 100 Pounds												
		* %	* %	* %	* %	* %	* %	* %	* %	* %	* %	* %	* %	* %
632	LTL	1041 100	966 93	885 85	807 78	731 70	680 65	625 60	573 55	521 50	... ..	... ..	... ..	... ..
(between	1M	1005 100	929 92	853 85	777 77	702 70	653 65	603 60	555 55	500 50	... ..	... ..	... ..	... ..
Casper &	2M	946 100	876 93	805 85	735 78	663 70	617 65	568 60	522 55	474 50	... ..	... ..	... ..	... ..
Albuquer-	5M	903 100	835 92	767 85	700 78	631 70	587 65	541 60	496 55	452 50	... ..	... ..	... ..	... ..
que)	TL	852 100	786 92	725 85	662 78	599 70	555 65	514 60	473 56	431 51	385 45	345 40	322 38	302 35

TABLE 6.10

True Percentage Relationship of Class Rates
Rocky Mountain Motor Tariff Bureau, Inc. Tariff ICC RMB 330-A

*Figures in column following each rate column indicate the true percentage which the rate is of the Class 100 rate.

Table of Class Rates for Classes 100 and Lower
(For rates on classes higher than Class 100, see Item 1300)

RATE BASIS NUMBER	WEIGHT GROUP	CLASSES																			
		100		92.5		85		77.5		70		65		60		55		50		45		40		37.5		35	
		Rates in Cents per 100 Pounds																							
			*%		*%		*%		*%		*%		*%		*%		*%		*%		*%		*%		*%
1205	LTL	1334	100	1234	93	1134	85	1034	78	934	70	867	65	800	60	734	55	667	50	...	..	...	..	...	...	...	..
(between	5C	1274	100	1178	92	1083	85	987	77	892	70	828	65	764	60	701	55	637	50	...	..	...	..	...	...	...	..
Los Ange-	1M	1190	100	1101	93	1012	85	922	77	833	70	774	65	714	60	655	55	595	50	...	..	...	..	...	...	...	..
les & ·	2M	1120	100	1036	93	952	85	868	78	784	70	728	65	672	60	616	55	560	50	...	..	...	..	...	...	...	..
Alamosa,	5M	1029	100	952	93	875	85	797	77	720	70	669	65	617	60	566	55	515	50	...	..	...	..	...	...	...	..
Colo.)	10M	970	100	897	92	825	85	752	78	679	70	631	65	582	60	534	55	485	50	...	..	...	..	...	...	...	..
	TL	1016	100	940	93	864	85	787	77	711	70	660	65	610	60	559	55	508	50	457	45	406	40	381	37½	356	35

TABLE 6.11

True Percentage Relationship of Class Rates
Rocky Mountain Motor Tariff Bureau, Inc. Tariff ICC RMB 334-A

*Figures in column following each rate column indicate the true percentage which the rate is of the Class 100 rate.

Table of Class Rates for Classes 100 and Lower
(For rates on classes higher than Class 100, see Item 1300)

RATE BASIS NUMBER	WEIGHT GROUP	CLASSES																	
		100		92.5		85		77.5		70		65		60		55		50		45		40		37.5		35	
		Rates in Cents per 100 Pounds																							
			*%		*%		*%		*%		*%		*%		*%		*%		*%		*%		*%		*%		*%
546	LTL	892	100	827	93	761	85	698	78	634	71	592	66	547	61	506	57	464	52	...	..	...	..	...	..	...	..
(between	5C	849	100	788	93	725	85	664	78	605	71	565	67	522	61	483	57	444	52	...	..	...	..	...	..	...	..
Salt Lake	1M	764	100	705	92	650	85	592	77	537	70	497	65	456	60	420	55	379	50	...	..	...	..	...	..	...	..
City &	2M	722	100	667	92	613	85	560	78	506	70	470	65	433	60	397	55	360	50	...	..	...	..	...	..	...	..
Casper,	5M	667	100	618	93	569	85	517	78	468	70	434	65	400	60	368	55	335	50	...	..	...	..	...	..	...	..
Wyoming)	TL	662	100	612	92	565	85	514	78	466	70	433	65	399	60	368	56	335	51	302	46	264	40	250	38	235	35

TABLE 6.12

True Percentage Relationship of Class Rates
Rocky Mountain Motor Tariff Bureau, Inc. Tariff ICC RMB 521

*Figures in column following each rate column indicate the true percentage which the rate is of the Class 100 rates.

Class Rates Base Scales
Rates are stated in cents per 100 pounds

RATE BASIS NUMBER	WEIGHT GROUP	CLASSES											
		100		92.5		85		77.5		70		65		60	
		Rates in Cents per 100 Pounds											
			*%		*%		*%		*%		*%		*%		*%
756S (between Dallas & Grand Junction, Colorado)	LTL	1175	100	1085	92	999	85	911	78	821	70	762	65	704	60
	1M	919	100	852	93	781	85	713	78	643	70	599	65	552	60
	2M	868	100	804	93	738	85	675	78	608	70	566	65	521	60
	5M	779	100	721	93	663	85	605	78	545	70	507	65	468	60
	TL	772	100	714	92	658	85	600	78	542	70	503	65	466	60

WEIGHT GROUP	55		50		45		110		125		150		175		200	
	Rates in Cents per 100 Pounds															
		*%		*%		*%		*%		*%		*%		*%		*%
LTL	647	55	586	50	...	..	1295	110	1469	125	1762	150	2054	175	2350	200
1M	507	55	460	50	...	..	1012	110	1150	125	1381	150	1611	175	1840	200
2M	479	55	437	50	...	..	955	110	1085	125	1304	150	1521	175	1739	200
5M	429	55	388	50	...	..	857	110	974	125	1172	150	1366	175	1561	200
TL	428	55	387	50	351	47	848	110	964	125	1154	150	1346	174	1538	199

CHAPTER 7

The Role of Commodity Rates

Previous analyses in this study have dealt with class rates which are homogeneous enough to be comparable throughout the study area. Commodity rates are heterogeneous and lack comparability. They do play an important role in the economic impact of freight rates upon the region, however. This chapter makes generalizations about the commodity rate situation in each state as well as the project study area as a whole.

Method of Investigation

Commodity rates reflect the volume traffic that is available to move into or out of an area. Therefore, specific comparisons between parts of a region are difficult, if not meaningless.

This chapter, therefore, consists mainly of generalizations made by the project team of rate experts after systematic investigation of the tariffs. [1]

First a series of discussions was held; these resulted in the establishment of a set of hypotheses about commodity rates in the project study area. The tariffs were then examined in detail in order to accept or reject these hypotheses. Because of the difficulty of specific comparisons, generalizations based upon expert knowledge were made in response to each hypothesis. These appear subsequently in the chapter.

Nature of Commodity Rates

Because class rates apply to classes of goods which have similar transportation characteristics, they are essentially average rates based on average costs. When carriers can estimate specific costs for specific products, they can publish rates which take the specific commodity out of the class (or cost-averaged) group. They do this in two ways: (1) by the publication of classification exceptions ratings and (2) by the publication of commodity rates.

Exception Ratings

The purpose of an exception rating or exception to the classification is to remove an article from the governing classification and

---

[1]This investigation was aided by the fact that two of the rate experts have been instrumental in the construction and publication of these tariffs since the beginning of federal motor carrier regulation in 1935.

establish class rates for it which are different from the normal class rates. This is done by publishing an exception or different class rating for the article in the particular class rate tariff. Examination of the class rate tariffs applicable to the project study area reveals that this practice is rare in the region relative to practices in other parts of the country. The Southern Motor Carriers' Rate Conference, for instance, publishes several tariffs or separate tariff sections which are essentially exceptions tariffs. The rates therein are designated as "column commodity rates" but the column headings are basically exceptions to the classification.

The Rocky Mountain Motor Tariff Bureau (although somewhat inconsistently) has apparently followed the policy of restricting the publication of exceptions ratings. An example illustrates this:

A Denver-based manufacturer produced a product which moved in LTL quantities at Class 92½. He was successful in reducing the density of the product and applied to local rate bureaus to publish an exception rating of Class 70 for his product. The Rocky Mountain Motor Tariff Bureau disapproved this proposal but agreed to publish commodity rates at the Class 70 level although this involved substantially more printing in the tariffs.

The Southwestern Motor Tariff Bureau (which was then separate), however, published an exception rating of Class 70 for shipments of the product of 500 pounds or more. Subsequently, the Southwestern Bureau was merged into the Rocky Mountain Bureau. The latter retained the exception in the former Southwestern tariffs but raised the minimum weight requirement to 1000 pounds. Consequently, there are today Rocky Mountain tariffs covering this product in either or both ways.

Commodity Rates

Commodity rates are specific rates applicable to a particular commodity or group of commodities between specific points. They generally take precedence over both class rates and exception ratings but they almost always require a minimum weight in excess of the LTL or lower weight groups. More and more the tendency is to make commodity rates subject to minimum weights or to increase minimum rates. In the project study area, motor carrier commodity rates usually do not apply by intermediate application to points between the specific origins and destinations for which they are published. Commodity rates usually apply only in one direction.

Sometimes, as in the example given above, commodity rates are established by figuring them as a percentage of an applicable class rate. This is because some arithmetic method is necessary to relate the rate upon a product to a known cost of handling it. The consensus of the research team was that in the Rocky Mountain area at least two other "sets of arithmetic" are more important in establishing commodity rates. One of these is the rail rate. Motor freight carriers eager for backhaul often figure whether their costs will allow them to equal or undercut the rail rate (they usually also have the advantage of including pickup and

delivery in their service). The other method is to negotiate with the customer to determine what rate level it will take to make him abandon private carriage. Many backhaul situations also exist in the region in which motor freight carriers are pricing on a differential or incremental cost basis. Such rates are frequently challenged before regulatory bodies, however, on the basis that they are unreasonable because non-compensatory.

Importance of Commodity Rates in the Project Study Area

Transportation writers state or imply that the major volume of American freight traffic moves on commodity rates. For instance, Sampson and Farris say,[2]

> Actually, the great bulk of freight tonnage and ton-mileage both by rail and truck moves under commodity rates. (Perhaps more than four-fifths of rail tonnage in the country as a whole, and more than 90 percent in some areas, is commodity tonnage.) The commodity-rate tail wags the class-rate dog.

Perhaps a more descriptive statement of the motor carrier situation is made by Taff.[3]

> No exact figure is known as to the percentages of traffic which move under class rates, commodity rates, or exception ratings for the United States as a whole. Some indication of the tonnage moved under each type of rate is given in a study made in 1945, which indicated that approximately 28 percent of the tonnage moved on exception ratings, an additional 28 percent on commodity rates, and 38 percent on class rates, with an additional 6 percent on class-rate stops.*

---

[2]Roy J. Sampson and Martin T. Farris, Domestic Transportation, Second Edition (Boston: Houghton Mifflin Co., 1971), page 169.

[3]Charles A. Taff, Commercial Motor Transportation, Third Edition (Homewood, Ill.: Richard D. Irwin, Inc., 1961), page 438.

*NOTE: Class Rate Stops: The National Motor Freight Classification publishes truckload ratings on some commodities as low as Class 35. However, many tariffs do not publish rates compatible with the ratings of the governing classification. This condition appears in several forms or combinations of forms. For example, the class rate scale may only go down as far as Class 40 or 45. In Rocky Mountain Tariff RMB 301, for example, the scale floors out at Class 40 which, in turn, averages only about 44% of Class 100. Tariff RMB 521 floors out at Class 45, which actually averages about 47% of Class 100. Tariff RMB 303 floors out at Class 37½, which usually averages approximately a true percentage of Class 100 but from almost all Eastern states covered by the tariff to Colorado and Wyoming, the floor is a percentage scale designated Class 48. Some tariffs, such as Southern Motor Carriers' Rate Conference Tariff 512-B, publish Class 45, 40, 37½ and 35 rates which are only one or two cents apart and only a few cents lower than Class 50.

The latter quotation suggests that the percentage of traffic volume moved under commodity rates by motor carriers may not be as substantial as the percentage moved by railroads.

Percentage of Commodity Rate Traffic in Rocky Mountain Region

In the nine-state project study area, motor freight commodity rates probably move a smaller percentage of traffic volume than is the case nationally. Exhibit 7.1 presents a letter from the Rocky Mountain Motor Tariff Bureau which states authoritatively that "for the calendar year 1973, 45.30 percent of the hundredweight handled by the general commodity carriers, under tariffs issued by this agency, moved on commodity rates."

The Rocky Mountain Motor Tariff Bureau, because of its large scope, publishes tariffs for what are, essentially, two diverse sets of traffics. One set (including Tariff ICC RMB 521 previously referred to herein) covers transcontinental traffic which is national in extent. Most of the tariffs of the bureau (including all other RMB tariffs referred to herein) apply to the nine-state area under study and are regional in scope. Commodity rated traffic undoubtedly makes up a large percentage of the volume moving under the transcontinental tariffs than under the regional tariffs. Therefore, the Bureau's figure of 45.30 percent commodity rated traffic is probably high in regard to exclusively regional traffic. This indicates that the relative effect of the class rate structure on the economy of the project study area is much more important than might be concluded from reference to national figures.

Traffic Imbalance

Traditionally, the states of the project study area have been somewhat colonial in nature. They have shipped out low-value, bulk products to outside areas and have received high-value, manufactured products in exchange. For general commodity common motor carriers this has resulted in an imbalance of traffic with the inbound movement predominating. Some regional traffic experts state that 38 percent more equipment is required for the inbound than for the outbound movement. Although outbound movement is more bulky than the inbound movement, it does not necessarily move by the same type of carriers.

Hypotheses about Commodity Rates

Consideration of the above facts about percentage of commodity rated traffic and traffic imbalance let the research team to make two general hypotheses about commodity rates:

1. Motor freight carriers are cooperative in publishing attractive commodity rates to encourage backhaul of such commodities as are available for movement outbound. For the most part, these rates apply on products which are of low value per pound.

EXHIBIT 7.1

ROCKY MOUNTAIN MOTOR TARIFF BUREAU, INC.

TELEX [illegible]
RMMTB DVP

P. O. BOX 5746, TERMINAL ANNEX
DENVER, COLORADO 80217

PHONE [illegible]
AREA CODE [illegible]

January 29, 1975

Mr. Paul McElhiney
Mountain States Commerce & Traffic Services, Inc.
2100 East Colfax Avenue
Denver, Colorado 80206

Dear Sir:

This will have further reference to your letter of January 8 and my reply of January 24, 1975, concerning your request for commodity rate information.

By coincidence we had a special Executive Committee meeting here yesterday and that committee authorized me to advise you that for the calendar year 1973, 45.30% of the hundredweight handled by the general commodity carriers, under tariffs issued by this agency, moved on commodity rates.

Very truly yours,

Z. L. Pearson, Jr.

Z. L. Pearson, Jr.

2. Relatively few inbound commodity rates are published to states of the project study area because of the traffic imbalance and the preference of carriers for the higher class rates which help subsidize the low-rated outbound traffic.

   Examination of the commodity rate sections of the tariffs caused a third hypothesis to be set forth:

3. Many of the commodity rates which appear in the tariffs are "paper" rates--officially published but essentially useless as no traffic moves under them.

Before discussing these hypotheses a comment about the consist of outbound traffic from the project study area is appropriate.

Consist of Traffic

With the exception of Idaho, three main product categories or activities comprise the most important production of each of the study area states. In varying orders of importance these are agricultural products, manufacturing, and minerals. According to the data referenced, production of forest products outranks mineral production in Idaho. The rankings for the various states are as follows:[2]

Colorado:		
	Value added by manufacturing	$2.6+ billion
	Farm receipts	2.19 billion
	Mineral production valued at	467 million
Idaho:		
	Farm marketing receipts	$1.1 billion
	Value added by manufacture	775 million
	Value of forest products	153 million
Montana:		
	Farm receipts	$1+ billion
	Estimated total mineral production	362 million
	Value added by manufacture	330 million
Nebraska:		
	Farm receipts	$3.7 billion
	Value added by manufacture	1.8 billion
	Value of mineral production	70 million
New Mexico:		
	Total value of mineral production	$1.2 billion
	Farm receipts	740 million
	Value added by manufacture	270 million

[2]Data are quoted from World Almanac and Book of Facts, 1975, (Cleveland: Newspaper Enterprise Association 1974), pages 673-702. Agricultural figures are based on reports of the Department of Agriculture and state agencies; mineral statistics are those reported by the Bureau of Mines; manufacturing statistics are from the Bureau of the Census. (Figures verified by reference to U.S. Statistical Abstract.)

North Dakota:		
	Farm receipts	$1.7 billion
	Value of mineral production	101 million
	Value added by manufacture	not given
South Dakota:		
	Total farm receipts	$1.7 billion
	Value added by manufacture	229 million
	Total value of mineral production	80 million
Utah:		
	Value added by manufacture	$864 million
	Total mineral production value	644 million
	Farm receipts	329 million
Wyoming:		
	Total mineral production value	$842 million
	Farm receipts	415 million
	Value added by manufacture	119 million

In at least six of these states petroleum and natural gas are a large part of the mineral production. Neither of these products are well suited to volume movement by motor freight carrier.

In five of the states, agricultural products are the most important production. In their unprocessed form, the transportation of these by truck is exempt from all economic regulation in interstate commerce. One member of the research team summarized his conclusion as follows:

Agricultural Traffic

With respect to motor carrier traffic, it is impossible to arrive at any reasonably accurate figure concerning outbound interstate movements of agricultural products from the study area states due to the prevalence of carriage by unregulated trucking operations under the agricultural exemption.

It is very noticeable that practically none of the outbound motor carrier commodity rates from the study area states apply on exempt commodities.

The motor carrier rate structure on exempt commodities is a very nebulous hodgepodge of ad hoc negotiations, usually varying from day to day and from one load to another. Rail commodity rates, where applicable, usually form a ceiling and the bare bones level of business survival usually (but by no means always) serves as a floor for such rates.

Inasmuch as the exempt agricultural commodity list includes livestock, logs, and practically all fresh or frozen fruits and vegetables, the scope of this traffic is tremendous.

In addition to exempt commodities moving via the totally unregulated truckers, exempt commodities are frequently handled by regulated carriers to fill otherwise empty backhauls.

Responses to Hypotheses

1. The first hypothesis set forth above is true. Motor freight carriers are very cooperative in establishing outbound commodity rates to attract necessary backhaul. The major reason that these rates apply mostly upon low value per pound products is that they reflect the traffic which is available to move. Thus, a large proportion of outbound commodity rates apply on products such as clay, stone chips, ores, hides, sawdust fire logs, etc.

When manufactured products are available for outbound movement, carriers are responsive in publishing commodity rates for them. Thus, in Colorado and Utah where manufacturing is the leading segment of production, outbound commodity rates are found on such products as canned or processed foods; belts, belting; tires; electrical appliances and instruments; iron and steel articles. Generally, when there are inbound commodity rates on the same product, the outbound rates are lower.

Perhaps the extreme example appears in the case of North Dakota where agriculture and minerals are indicated as the leading industries and manufacturing is shown as "N.A." Almost no outbound commodity rates are published from North Dakota. This indicates a lack of commodities suitable for outbound regulated motor carrier movement, and would lead one to expect that the class rate structure (since inbound overbalance must be great) would be somewhat high to cover the lack of backhaul.

2. The second hypothesis is essentially false. Many inbound commodity rates have been established into various parts of the study area by motor freight carriers. Some of the commodities so provided for are consumer goods. Others are component parts or materials used in manufacturing processes within the study area.

Almost all of the commodity rates so established are on a noticeably higher level than on comparable outbound commodities and are on commodities otherwise subject to relatively high class rates.

These findings are in line with the expectancy of the hypothesis that there is probably a tendency of inbound rates to subsidize outbound movements. However, it shows that carriers are willing to reduce rates to some extent where volume warrants it.

Table 7.1, which follows, presents some examples of commodity rates which support these findings. They are, of course, but a sample of all the rates published, but give a strong indication of the sorts of commodities covered. This sample of rates tends to be drawn from those applicable within the project study area, although some movements outside the region are also illustrated.

3. The third hypothesis is true and gives some interesting insights into the problems of rate making. In the freight rate tariffs of both rail and motor carriers, rates are frequently found which move no traffic. Often this is because a lower freight rate can be found or constructed in another manner, yet the unused rate is overlooked and continues to be published.

(text continues on page 7.13)

TABLE 7.1

EXAMPLES OF COMMODITY RATES

Commodity	From	To	Rate in Cents per 100 lbs.	Minimum Weight Required
		COLORADO		
		(Provides examples of rates in both directions)		
Candy or confectionery, NOI	Denver	Dallas	287	14,000#
			223	24,000#
			166	34,000# via Riss
			176	34,000# via Navaj
			166	36,000# not via Riss
Candy or confectionery, NOI	Dallas	Colo.Springs	151	36,000#
		Denver	162	36,000#
		Pueblo	141	36,000#
Cleaning, scouring or washing compounds	Denver	Dallas	333	10,000#
			127	26,000#
Cleaning, scouring or washing compounds	Dallas	Denver or Colo.Springs	262	20,000#
			180	40,000#
Electrical appliances or instruments, NOI	Denver	Dallas	377	2,500#
			342	5,000#
Electrical appliances, NOI	Dallas	Denver	401	20,000#
Chemicals, viz: Hypochlorite solution	Denver	Dallas or Ft. Worth	127	26,000#
Hypochlorite solution	Dallas	Denver or Colo. Springs	262	20,000#
			180	40,000#
Iron or steel	Pueblo	Dallas or Ft. Worth	110	40,000#
Iron or steel	Dallas	Denver	200	30,000#
Titanium pigments	Colo.Springs or Denver or Pueblo	Oklahoma City	112	20,000#
Titanium pigments	Oklahoma City	Colo.Springs or Denver or Pueblo	112	20,000#

Table 7.1, page 2

Commodity	From	To	Rate in Cents per 100 lbs.	Minimum Weight Required
		IDAHO		
Canned fruits and vegetables	Blackfoot or Buhl	Colorado Common Points	250 205 124	10,000# 20,000# 44,000#
Hides	Boise or Nampa	Denver	144	44,000#
Ore or ore concentrate uranium or vanadium	N. of Soda Springs	Denver	223 162	20,000# 40,000#
Batteries, electric storage	Denver	Boise	659 612 583 424	1,000# 2,000# 5,000# 10,000#
Cheese, including cheese food	Afton, Wyo.	Pocatello	169 161 152 113 101	1,000# 2,000# 5,000# 10,000# 20,000#
		MONTANA		
Wire, alumninum	Black Eagle	Denver	254	40,000#
Brass, bronze or copper wire	Black Eagle or Great Falls	Colorado Common Points	376	30,000#
Sulphur, crude	Billings	Denver	80	44,000#
		NEBRASKA		
Foodstuffs	Gering	Denver	135 78	10,000# 25,000#
Foodstuffs	Scottsbluff	Denver	135 108	10,000# 25,000#
Hides, NOI, green	Gering	Denver	60	38,000#

Table 7.1, page 3

Commodity	From	To	Rate in Cents per 100 lbs.	Minimum Weight Required
		NEW MEXICO		
Ore, uranium or concentrates	Bluewater	Grand Junction	191	40,000#
Sleeping bags	Santa Fe	Denver	456	1,000#
			433	2,000#
			413	5,000#
Tile, building hollow, glazed, etc.	Denver	Albuquerque	119	40,000#
Tile or slab building or roofing	Albuquerque	USAF Academy	67	40,000#
Vegetables, canned or preserved	Anthony	Denver	161	10,000#
			132	20,000#
			116	30,000#
		NORTH DAKOTA		
Antifreeze compounds	St.Louis, Mo.	Fargo	197	40,000#
	Mapleton or Peoria,Ill.	Bismarck	291	35,000#
	"	Dickinson	316	35,000#
	"	Fargo	239	35,000#
	"	Jamestown	263	35,000#
Beet pulp pellets, dry	Drayton	Des Moines	106	44,000#
Potatoes, frozen (also an exempt commodity)	Fargo	Des Moines	122	32,000#
Starch, NOI	Drayton	Peoria, Ill.	162	40,000#
		SOUTH DAKOTA		
Grain flour NOI	Rapid City	Denver	74	40,000#
Clay, crude or ground	Belle Fourche	Denver	83	40,000#

Table 7.1, page 4

Commodity	From	To	Rate in Cents per 100 lbs.	Minimum Weight Required
		UTAH		
Belts or belting	Nephi	Denver	275	20,000#
Asphaltum	Bonanza	Denver	85	40,000#
			70	88,000#
Candy or confectionery	Salt Lake City	Denver	144	40,000#
	Denver	Salt Lake City	155	40,000#
Ore or ore concentrates uranium or vanadium	Moab	Grand Junction	56	20,000#
			52	30,000#
			45	43,000#
		WYOMING		
Bentonite	Casper	Vernal, Utah	100	40,000#
Ore or ore concentrate uranium	Highland Mine Site	Denver	78	40,000#
Sugar	Torrington	Denver	78	30,000#

In the Rocky Mountain region perhaps a more common cause of "paper" rates is that the traffic the rate was published for failed to develop or has ceased to exist. The research team found several explanations for the existence of "paper" rates.

The simplest reason, of course, is that the companies, plants, or industries for which the rates were made have gone out of business.

Occasionally, commodity rates are published to encourage development of a plant or industry at a point which is part of a class rate group or which is otherwise economically associated with a group of other towns. When the rate is put in for a plant at one point, all of the other points in the group will be more or less automatically included in hopes future traffic will develop.

Sometimes "missionary" rates are published which are intended to encourage traffic to develop. Frequently, these carry an expiration date in case traffic doesn't develop. Subsequently the expiration date is extended or even removed in the rate bureau routine and a "paper" rate is created.

The traffic officials of motor carriers are usually not fully aware of all the traffic which their respective companies are or are not moving. Rate complexity makes it extremely difficult to know what volume of traffic is moving under each rate. Therefore, when a rate committee effort is made to survey and eliminate "paper" rates, some member is apt to be in doubt about the usefulness of some rate and ask that it be retained. Situations have occurred where rates moving substantial traffic were removed as "paper" rates. Attempts to republish the rates then met with protests from competitive carriers with the regulatory agency upholding the protest and refusing to allow the rate to be published again.

Concluding Remark

Commodity rates demonstrate, better than class rates, two important factors. One is the way in which motor freight carriers attempt to recognize and encourage traffics of potentially sufficient volume to be profitable to haul. The other is that if it is desirable to do this scientifically with balancing of headhaul and backhaul and with equitable treatment of different geographical areas, then more information must be developed as to what traffic is actually moving on what rates.

It must be remembered, however, that commodity rates are essentially volume rates, and that they usually do not apply to intermediate points. Therefore, they do not necessarily encourage small shippers in small places to develop economically.

CHAPTER 8

Economic Impact of Motor Carrier Service

The purpose of this chapter is to make an assessment of the impact of motor freight carrier service availability and rate structure upon the economy of the project study area. This is accomplished through a review of the data presented in previous chapters of this report. Pertinent comments are made about the data relating them to actual or potential economic situations. Data are generally discussed in the order in which they appear in the report; however, in some cases data drawn from different parts of the report are integrated to better elucidate the particular situation.

Carrier Service Availability

Perhaps the primary factor concerning economic impact of motor freight carriers is the extent to which the businessman of the project study area is dependent upon them. Table 2.1 of Chapter 2 indicates that of 1032 cities and towns sampled in the region, less than 10 percent are served by air transport, nearly 80 percent are located upon rail trackage, and all have been authorized some type of regulated motor carrier service. The table comparing transportation modes in Chapter 3 indicates that air carrier share of the national cargo market is less than one percent of ton-miles. Discussion in Chapter 2 and in Chapter 6 indicates that railroads no longer seek LCL shipments of under 4000 pounds minimum weight. Thus, throughout the project study area the small shipper is largely dependent upon truck transportation.

Amount of Competition

Data in Chapter 2 also indicate that probably 30 percent of the towns in the region are authorized service from three motor carriers or less. If the investigation done by the State of Wyoming (Exhibit 2.1) is indicative, a large percentage of carriers authorized to serve certain points do not choose to do so. This is because large carriers may find it more profitable to interline with small carriers serving outlying points rather than to go themselves.

Examination of Table 2.1 shows that the larger cities and the towns located along major highways have the largest number of carriers serving them. Towns with service from three carriers or less are usually of under 1000 population.

The above means that while the businessman in the small city of the region is primarily dependent upon motor carrier transport, he is also probably dependent only upon one or two carriers. The unfavorable responses to the questionnaire discussed in Exhibit 2.3 indicate that the

regional small businessman generally may not be too well satisfied with the transportation alternatives which are thus presented to him.

Discussion. In the early days of motor freight transportation, routes were pioneered for and located by the availability of traffic. In the sparsely settled West, a circuitous, roundabout route might tap a number of sources of revenue, while a more direct route between two considered points might traverse an intermediate territory which was practically a desert. An example is the Salt Creek Freightways route of operation between Rock Springs and Lander, Wyoming, via Rawlins. In fact, Salt Creek's current operation as practically a single carrier over the whole State of Wyoming indicates the difficulty of generating traffic in a sparsely settled area.

Today, in many parts of the region the picture has changed. The small, struggling operators of 1935 have been merged into the route structures of transcontinental truck lines. The total economic situation has now changed and the primary emphasis is on the movement of large volumes of traffic between big freight generating points. High labor costs make it unattractive for the large carrier to stop his vehicles at scattered small towns for scattered small shipments. Thus, the gathering function performed by the original entrepreneur is avoided by his successor.

Effect of Restrictions

Questions have been raised as to whether the available competition of motor carriers has been reduced by the existence of route restrictions and gateway restrictions in the certificates of the carriers. These restrictions may be of two types which might be referred to as (1) inherent and (2) acquired through tacking. These are discussed in Chapter 2 where we may conclude as follows:

1. Inherent route restrictions are those which are stated in the original certificate of public convenience and necessity issued to the carrier. These were two main varieties. One of these required the carrier to travel a specific highway between two points although he was not allowed to serve towns along this highway. This was particularly wasteful economically when a more direct route was available. The second type was a requirement which restricted a carrier to a one-way move over a particular route. This, of course, prohibited the carrier from developing a backhaul and cut the potential efficiency of his operation in half. Restrictions such as these have been pretty well eliminated through the merging of small carriers into larger ones. A few isolated cases may remain, however.

2. Restrictions acquired through tacking occur when carriers build a larger route structure by merging together the certificates of smaller operators. This results in a through route between important points which it was probably not the original intent of the regulatory agency to create. Thus, it could be viewed as an "artificial" creation of an oversupply of transportation. Their impact, therefore, probably does not affect the supply of transportation adversely.

Unfortunate Route Structures. Although they are not route restrictions per se, there are situations in which carrier route structures are circuitous between certain points. This results in poor service, high rates and peculiar rate structures. Examples may be seen in Chapter 5 in the discussion of the arbitrary rate situation in Idaho, and in the discussion of arbitrary rates in Montana. In the Idaho case, rates are based on a circuitous route through Washington State and in Montana upon a circuitous move through North Dakota. Undoubtedly, these situations arose long ago before direct highway connections were made and when small carriers were establishing "traffic gathering" operations. Subsequent traffic has probably been so sparse that opening a new route into the territory has never been considered.

Summary of Impact of Service Availability.

The economy of the project study area is very dependent upon motor freight carrier transportation. Although motor freight service is very widespread throughout the region and available almost everywhere, there may be few alternative carriers available to the user. This is because many parts of the region would not support more than one carrier. The lack of profitability of motor carriers in sparsely settled areas may be a factor in their ability to provide a quality of service which earns general public satisfaction.

Impact of Intermodal Rate Competition

The main thrust of this study is toward motor freight carrier rates. However, a comparison of the rates of other modes was done in Chapter 3. The result of this analysis was that the class rates of the different modes are not comparable. A sensible comparison can only be made when a particular commodity and haul are considered. Two factors emerge which indicate an impact on regional economy, however. First, a number of varied services are available, although this must be qualified that they are restricted to journeys between major points such as those illustrated. Second, it is to be noted that substantial minimum weights must be shipped in order for the lower rates to apply. This is, of course, a cost requirement of the carriers if they are to move traffic profitably, but it is not a factor which encourages the small businessman.

Economic Impact of Rate Structure

The motor freight carrier rate structure of the project study area has many aspects which directly and indirectly affect the economy of the region. The effects of various characteristics of the rate structure are overlapping and interrelated. An expeditious method of handling them, therefore, is to discuss them in the order in which they appear in previous chapters.

Impact of Intermediate Application

Chapter 4 explains how rates may be made to small towns located between important centers through the process of intermediate application.

Generally, rates made in this fashion give a small point (unnamed in the tariff) the same economic advantage as some large traffic generating center just beyond it.

In the tariffs of the Rocky Mountain Motor Tariff Bureau which cover most of the project study area, the use of intermediate application is very restricted. It is allowable only in limited geographic areas and is then not applied for small shipments (under 500 pounds or 1000 pounds, depending on the particular regional tariff). This means that small shipments to small towns are made subject to local rates or to through rates (to break-bulk points) plus arbitrary rates. Although the text does not say so, many of these small shipments must thus be subject to minimum charges--probably double minimum charges as a minimum would apply on each portion of a rate constructed by combining local rates or arbitrary charges. Obviously, this makes the freight on small shipments to and from small, outlying towns relatively expensive.

Another effect operates on larger shipments as well. This is that if intermediate application is restricted geographically, an extra charge can be made for distributing a shipment of any size from the important freight generating and break-bulk center to the outlying small destination.

As illustrated in Chapter 5, the rate structures in the states of North Dakota, South Dakota, and especially Nebraska have much more liberal rules pertaining to intermediate application. These may serve as examples that the principle could be more widely used in the project study area.

Impact of Arbitrary Rates

Chapter 4 also introduces the subject of arbitrary rates and defines the concept. Arbitraries are subsequently discussed as they apply in each state in Chapter 5. The impact of arbitrary rates upon the economy and sub-economies of the project study area is undoubtedly very great but is difficult to measure specifically because of the many different forms of application throughout the region. Probably no other rate factor causes as much inconsistency in the motor carrier rate structure of the project study area as the use of arbitrary rates.

Probably the least orderly utilization of arbitrary rates occurs in Colorado followed by Wyoming and then Utah. Our evidence indicates that although arbitraries are used in Idaho and Montana, many points are reached through a combination of local rates. Logical use of arbitraries is made in New Mexico although there are inconsistencies from different origins. A consistent application of arbitraries is used in North Dakota and South Dakota and their use in Nebraska is rare.

Perhaps the primary factor affecting the desirability of using arbitrary rates (desirability in terms of their potentially favorable or unfavorable effect on the economy) is the fact that they are arbitrary. By definition, arbitrary rates are not necessarily based upon the cost of performing the service, or for that matter, upon any other traditional

rate-making factor. In many cases in the project study area, arbitrary rates seem to have been applied simply to get the carrier additional revenue without reference to any particular system of logic.

Inconsistencies from different origins. Examples are given in Chapter 4 showing that different arbitraries are applied on the same haul from certain break-bulk points to certain destinations when shipments come from different origins. Whether the level of these differences is undue or unreasonable is a matter for determination by a regulatory body. The differences do mean, however, that an illogical addition is made to the cost of bringing something from one market area as opposed to another. The potential economic impact is obvious.

Application in addition to group rate. Chapter 4 and the Colorado section of Chapter 5 cite instances in which arbitraries are applicable to certain destinations supposedly subject to through rates in their own right. The towns located along the eastern slope of the Rocky Mountains in Colorado from the Wyoming border to the New Mexican border are sometimes referred to as the "Colorado Common Points." Tariff construction places them in similarly rated groups. To many of the points, however, arbitraries have been added to the through rate to cover carrier costs in breaking bulk at Pueblo or Denver and distributing beyond or back to a point along the inbound route. On the one hand, there is some illogic in first placing these points on an equal footing with the implication that traffic volume and operating costs warrant similar rate group coverage if they do not. On the other hand, it is illogical to assess an additional arbitrary charge if the first implications are true. Differing rate treatment of the population and commercial centers along the Eastern Slope certainly affects the economic development of the area.

Inconsistency of application throughout region. A comment was made at the end of Chapter 5 to the effect that although we may think of our interstate motor freight carrier system as being a national one, there are remarkable differences in rate structure in the individual states or regions. The differing application of arbitrary rates in the project study area highlights this situation. A different way of treating rates to small outlying points in each of the nine states must potentially cause subtle differences in economic development.

Impact of Rate Group Situation

Data in Chapter 5 generally substantiated the hypothesis that motor freight carrier class rates into and within the project study area are published to only a limited number of rate groups.

There is nothing inequitable in the use of rate groups per se as long as their structure is logical. For them to be logical, however, there are at least two limitations which should be applied.

One of these is that the rate group should bear a reasonable relationship to the tapering principle. As discussed previously, as start-up costs are amortized over more miles of line haul, more averaging is

possible in the delivery or destination area. Thus, a certain amount of "blanketing" is allowable around major destinations. To some extent, therefore, a logical rate group might be circular rather than linear in character. In some cases in the project study area, rate groups are definitely linear in character. (See Colorado maps and Montana maps in Chapter 5.) When a rate group is excessively linear, the cost averaging is illogical and some points in the group must be subsidizing other points.

Also related to the tapering principle is the arrangement of the groups in an increasing progression of rate level as distance from origin increases. This is not always the case in the region under consideration.

A second limitation in the logical use of rate groups is that there should be an equitable and logical method of constructing rates to small points outlying major interchange or break-bulk centers. (Consistency of method would also probably be desirable.) The size of the rate group around the major point is a primary consideration which can have significant economic impact. If an outlying community is included in a major rate group, it shares the same rate advantages (provided no internal arbitrary rate is applied). If the community is excluded from the rate group, it will be penalized to the extent of the beyond rate applied relative to its large neighbor.

The logical method of constructing rates to outlying points probably should bear some demonstrable relationship to the carriers' costs of providing service.

Of course, the outlying customer who is located intermediate to an interchange point cannot see why he should pay the carrier for a reverse haul back to his location. Perhaps more logically, the customer who is located beyond the interchange point does not expect his total rate to be greater than that to the next interchange center.

Impact of Rate Levels

Table 6.1 which accompanies Chapter 6 presents information about potential differences in general rate levels in the various states of the project study area. These are class rate comparisons and do not reveal whether such differences exist in commodity rates (the difficulty of comparing commodity rates is stressed in Chapter 7). However, it is to be supposed that this table is indicative of general differences in rate levels. The dollar amounts involved, at first blush, are not great. However, when one considers that these are rates in cents per hundred pounds per mile, it can be seen that the difference in charges on shipments of several thousand pounds moving over hundreds of miles would be significant. Here again are subtle and unmeasured forces which affect the economic opportunity of the different states unequally. To measure whether the differences are unreasonable requires detailed consideration of comparative carrier traffic volumes and operating costs in the different areas.

Impact of Class Rate Percentage Relationships

Chapter 6 (and accompanying exhibits) also presents information about the effective relationship of class rates to class ratings. These data refute the allegation that the percentage relationships of class rates differ markedly from their supposed relationships as represented by the class rating categories. In general, class rates in the region are in line with their represented percentages. There are deviations which may have an economic impact, however. These occur mainly in the Middlewest Motor Freight Bureau tariffs sampled and the Pacific Inland Tariff Bureau tariff sampled and in Rocky Mountain Motor Tariff Bureau ICC RMB 301. (The balance of the Rocky Mountain tariffs sampled are at very nearly true percentages for all classes.)

Two tendencies may be noted. One is a slight discrimination against small shipments. The other is a tendency for rates on the lower classes to "floor out" at a true percentage higher than the stated class rating. Both of these practices place the shipper at a disadvantage which he may not recognize without analyzing the rate structure.

Impact of Commodity Rates

One economic effect which seems to recur in the above discussion is that the small shipper is placed at some disadvantage. This is especially true of the small shipper located in the small outlying town. The discussion of commodity rates in Chapter 7 points out also that commodity rates, because of high minimum weight requirements, are not directed to the small shipper.

The regional commodity rate situation does have an aspect which is very favorable to economic development, however. This is the great need of motor freight carriers for high value-per-pound outbound shipments which can afford to pay a larger share of operating costs than the present outbound traffic.

If a businessman, almost anywhere in the region, can establish a volume production of reasonably high value goods, he can find a motor carrier ready to establish attractive specific commodity rates for him. Once established, such a business can also (if the management is traffic-management oriented) have a substantial effect upon the modification of inbound commodity and even class rates.

Concluding Remark

The motor freight carrier industry in the United States has sometimes been referred to as "atomistic" or "fragmented" in nature. The effect of this characteristic can be seen in the rate structure (or structures) of the project study area. Much of the disorder or illogic or lack of uniformity seemingly present is probably due to local negotiations and local decisions having been made by many different small entrepreneurs in response to highly local needs over a long period of years. The tendency of motor carriers to merge into larger organizations and the

efforts of freight rate tariff publishing bureaus, as well as those of regulatory agencies, have undoubtedly improved the situation over what it was even a few years ago. The next chapter makes some suggestions as to possible areas or directions for future improvement.

CHAPTER 9

Possible Programs of Change

The previous chapter summarized the characteristics and to some extent the problems of motor freight carrier service availability and rate structure in the project study area. Differences and peculiarities from state to state were pointed out and situations which seem to be illogical were emphasized. The research team does not consider these situations necessarily as wrongs which must be summarily righted. Considering that the motor freight carrier industry of the region has been developed by individual entrepreneurs operating in an individual enterprise system and not in response to a master plan, the resulting structure is reasonably satisfactory. This chapter suggests ways in which the route and the rate structures and/or the regulation of them might be changed with possible effects on economic development. To indicate what is possible, a range of possibilities--from moderate to extreme--is objectively set forth. Subjectively, however, drastic action is not advocated as programs of moderation and negotiation are likely to be more palatable in the long run.

Mere Differences Not Necessarily Unreasonable

Moderate and studied action to change conditions cited in this report is advisable for another reason. Previous chapters have shown that different rate practices exist throughout the region under study; on first examination many of them seem illogical. This does not mean, however, that existing rates, rules, practices, and procedures are unjust or unreasonable. Discrimination, particularly price discrimination, is commonplace in our economic society. Transportation carriers practice discrimination by charging different rates for different types of traffic. Some discrimination is even encouraged by public tradition and policy such as reduced rates for members of the clergy or so-called "Section 22" rate reductions for government traffic. Discrimination, preference, and prejudice become objectionable under our system of regulating interstate commerce when they become unjust, undue, or unreasonable. Thus, determination of whether such differences as exist in rates, rules, practices, and procedures of motor freight carriers in the project study area are unjust, undue or unreasonable is properly the function of the appropriate regulatory agency.

Need for Further Information

Another factor for consideration is that although certain rates and practices may seem to be illogical, this conclusion may be unwarranted because the reasons for them are not clearly understood. This research report, therefore, becomes typical of research reports in general by including a plea for future research projects to develop more information.

In consideration of transportation rate matters, the plea is often made for the development of more and better information on carrier operating costs. This is not the plea in this case. Over the years, the Interstate Commerce Commission has developed substantial information about motor carrier costs. In addition, large modern motor carriers are managed in a sophisticated way and have a good knowledge of their costs. The problem is often one of how to get them to reveal this knowledge. What is not generally known in detail by government agencies dealing with transportation is the detail of what traffics are moving.

The volume of production of various products in different parts of the country can, of course, be generally determined from so-called census data. The "consist of traffic" or mix in which these products move over various modes, types of carriers, or routes, however, is virtually unknown. Generalizations as to imbalance in particular carrier operations or the percentage of empty mileage being experienced by certain modes or carrier types are meaningless without this information.

For many years the Interstate Commerce Commission, Bureau of Economics, has conducted a continuous sample of railroad waybills. This has resulted in their publication of carload waybill statistics giving territorial distribution of railroad traffic and revenue by commodity classes. Similar information is needed for motor freight carriers.

When the Interstate Commerce Commission began waybill sampling, collection of the data was a serious problem. Today in the age of computerization, collection of data would not be so great a problem. Some motor carriers and freight rate tariff publishing bureaus are presently tabulating and analyzing such information. Centralization of the data would require a substantial program. More specific traffic information than what presently exists is essential to any sensible program of change. Subsequent sections of this chapter assume the prior acquisition of such information before consideration of implementation.

Suggestions Related to Specific Findings of Report

Regardless of how implemented, any program of change for motor freight carriers in the project study area should have as its goal the creation of an orderly and, within economic limits, a uniform situation. Much of the variety found in the region is due to the nature of the growth of the industry from a fragmented structure of localized entrepreneurs to the present assembly of carriers with regional or national scope. Great development toward a truly "national" industry has occurred in the past few decades, and with encouragement will continue. To some extent, however, this development has left gaps at the local level. The small shipper in the small locality is possibly the party being most adversely affected economically by this growth and change. Although suggestions related to specific findings in previous chapters are necessarily interrelated, the following discussion is again structured, as much as possible, according to the order in which they appear in the report.

Priority of Activities for Change

A number of options are available for changing situations reported in this study. Ideally, activity should begin at the local level; state regulatory bodies can play a role; and, finally federal regulatory or legislative action is possible.

Activity at Local Level

Appeal to carrier. When a transportation user is dissatisfied with treatment he receives from a carrier, his first remedy is to deal with the carrier. For best effect, this should be done in a businesslike manner utilizing proper documentation and procedures. Many shippers are unaware of proper procedures.

Concerted local action. When groups of shippers are dissatisfied, remedies can often effectively be sought by concerted action through the medium of a chamber of commerce or similar organization. Unfortunately, concerted action is difficult to generate and chambers of commerce do much less than what is possible.

Appeal to state regulatory body. Shippers sometimes complain of service deficiencies or irregularities to state regulatory bodies. These bodies frequently lack authority to order correction of the defect, but they can often negotiate for change if they are given adequate information by complainants. Shipper complaints, however, are often vague, not written nor documented.

Formal complaint. Many shippers or even local organizations such as chambers of commerce are probably unaware that they may complain formally to the Interstate Commerce Commission if they can establish clear-cut violations of the Interstate Commerce Act by interstate carriers. Further, they are often unaware of what constitutes a violation of the Act and are reluctant to spend money for proper representation.

Action by State Regulatory Bodies

State transportation regulatory commissions possess only limited legal authority to deal with problems concerning interstate motor freight carriers.[1] They are, however, in a good position to assemble data about

---

[1]Section 205 of the Interstate Commerce Act covers the role of the states in the regulation of interstate motor carriers. It authorizes the use of "joint boards" of members from the individual states for "appropriate proceedings thereon" of certain matters designated in Section 205. Joint boards have been used primarily in cases of motor carrier operating authorities involving not more than three states. It would appear that a broader interpretation of Section 205 could allow joint boards and state regulatory agencies a much greater role in interstate motor carrier regulation.

them, particularly with reference to certification, rate structures, and quality of service. Often, they can use this data effectively in negotiating with carriers and carrier groups such as freight rate bureaus in order to effectuate change. Evidence of this can be seen in the activities of the commissions of the States of New Mexico and Wyoming. Greater interest in and planning of industry structure by state regulatory bodies could be one of the most effective means of building a better motor freight carrier industry.

Action at Federal Level

In land-surface transportation regulatory correctional activities have generally been accomplished on a case-by-case basis in response to formal complaints by interested parties. The Interstate Commerce Commission has, however, the power to investigate certain matters upon its own motion. Understandably, budget, time and staff limitations make it logical to investigate only those matters which are of significant public interest. Here again, activity should be generated at the local or state level if it is of sufficient importance to generate the necessary interest.

In the final case, federal action can result in legislative change. Possibilities in this direction are discussed subsequently.

Carrier Service Availability

The supply of motor freight carrier transportation in the region is undoubtedly adequate. Traffic volume in some parts of the study area is so light that it would not support more than one carrier. Unfortunately, this creates a monopoly or pseudo-monopoly situation for the carrier in some small settlements and a problem arises as to how the shipper can force the carrier to provide a high quality of service. Various suggestions with varying degrees of practicality can be made for improvement of service and service availability to small outlying points. These are structured according to the priority system set forth above.

Local Action on Availability

If shippers deem the motor freight carrier service in their locality unsatisfactory several alternatives present themselves. These are set forth in semi-outline form.

1. Businesslike discussion and negotiation with the appropriate level of motor carrier management. (Colloquial discussion with the truck driver is unlikely to be helpful.)

2. A documented report, giving names, dates, and facts, to the state regulatory agency of bona fide shortcomings of the carrier.

3. Participation in organizations such as chambers of commerce or shippers' advisory groups with active support to programs of transportation improvement.

4. Active support by means of letters to and testimony before state and federal regulatory bodies for applications of carriers to provide additional service. The questionnaire presented in Chapter 2 revealed that some shippers favor extension of operating authority of package carriers such as United Parcel Service. This should be made known to appropriate regulatory bodies.

5. Willingness to file and finance formal complaints to the appropriate regulatory body when violations of state or federal regulatory laws are alleged to have occurred.

Action on Availability by State and Federal Regulatory Agencies

There are activities which state regulatory agencies and the Interstate Commerce Commission could undertake, either individually or in concert, upon their own motions, relating to carrier service availability and route structure. First, however, better information about outstanding carrier operating authorities is needed.

Need for inventory of certificates. Well organized information as to which carriers hold what rights to serve what routes and territories is as unavailable as information as to the consist of the traffic. Issuance and change of motor carrier certificates has been done on a case-by-case basis and not in response to a master plan. Due to continuing mergers and consolidations, many modern certificates are so complex that the holders themselves are sometimes not precisely sure of every aspect of their operating authority. Although expensive, a complete inventory of existing certificates would probably be possible with the aid of electronic data processing.

If reasonably modest funds were made available to them and a uniform plan established, such an inventory could probably be made by state regulatory agencies. This might not be feasible on a national basis, but the smaller number of carriers involved makes it worth consideration in the project study area. Although they do not necessarily keep them on file, the state regulatory agencies have access to records of interstate carrier certificates of operating authority. A full program of cooperation might be feasible under the provisions of Section 205 of the Interstate Commerce Act.

Restructuring of routes. Information produced by an inventory of carrier operating rights would enable logical action for improvement.

One problem is that of historical certificate restrictions such as those which force carriers to follow circuitous routes between major points without allowing them to serve intermediate points, and such as those which limit carriers to a one-way haul. If any such limitations are still extant in the total carrier certificate system, they should be eliminated.

Another problem is that of routes affecting rates. Although motor freight carrier supply is probably generally adequate, not all points are

accessible from all directions. Historical parallel development of highways and certificated carrier routes has caused some sparsely populated areas such as northeastern Montana and central Idaho to be served by circuitous routes. This has caused serious imbalance in certain rate structures. Where possible, such route patterns should be restructured to give such areas as equal access as possible to market areas in all directions.

A third problem area which may be susceptible to regulatory action is that of "dormant rights." Where carriers voluntarily chose not to serve a point for which they are certificated, perhaps a "use it or lose it" policy could be employed. This would mean that when a motor freight carrier voluntarily restricted its service to only the more profitable parts of its route structure, this would become its officially certificated route structure. This would eliminate the problem of "dormant rights" which presently allows a certificated carrier not operating his entire route to protest the applications of other carriers to serve a similar route. The same principle could be extended to the size of shipment a carrier elected to handle. Withdrawal of existing carriers from the small shipment market, for instance, would leave the way clear to expand the operating authorities of the so-called "package" carriers.

Possible Legislative Action on Carrier Service Availability

It may be that the Interstate Commerce Commission presently possesses adequate power under the provisions of Section 212 of the Interstate Commerce Act to deal with the matter of dormant rights as suggested above. If not, the granting of this power must be a matter of legislative action.

Another issue for either state or federal legislative action relates to possible subsidy for motor carriers. Where it was desired to stimulate economic development of small business in small outlying or remote communities, government subsidy could be granted to "feeder" truck line operations serving small localities similar to the subsidization of local service air carriers. Conceivably, this concept could be tied to the "Transportation Facilitation Center" innovation suggested to the Department of Transportation by the Ralph M. Parsons Company.

Motor Freight Carrier Rate Structure

The previous section has dealt, essentially, with changes in route structure. This section deals with rate structure. Again matters are discussed in the order in which they were covered in the previous chapters; suggestions are ranked as much as possible according to the priorities set forth earlier in this chapter.

Problem: Through Rates and Arbitraries

The subjects of intermediate application, arbitrary rates, and rate groups have been thoroughly discussed in Chapter 4, 5, and 8. It is now appropriate to suggest how the situation could be changed if such change is desirable.

One of the features of the present rate situation which is

theoretically (and undoubtedly actually) objectionable from the shipper point of view is that motor freight carriers frequently charge more for a short haul than for a long haul (of the same kind of goods, over the same route, in the same direction, the shorter being included within the longer distance). This practice is forbidden to railroads by the Interstate Commerce Act but not to motor carriers.

Possible change through local action. If considered by the regulatory agency, some of the subject rate situations might be judged unreasonable or discriminatory to the extent that they violated Section 216 of the Interstate Commerce Act. Before they may be considered, however, they must be complained of. Small shippers and even moderately large business enterprises, however, are often ignorant of the fact that a possible legal violation exists, ignorant that the remedy of the formal complaint exists, and unwilling to spend money to pursue the matter. The remedy is available to them, however, if they wish to use it.

Possible change through regulatory agency action. This leads to the observation that investigation could be made on the regulatory agency's own motion. As mentioned, this is feasible only when the issue is important enough to warrant the cost.

Much can be done through the process of negotiation to introduce logic and order into rate structures. Ideally, this negotiation should be between interested shipper groups and carrier representatives such as freight rate bureaus. One facet of the transportation situation in sparsely populated regions, such as the project study area, is that shippers are not well informed about traffic management nor particularly interested in the finer points of purchasing transportation service, nor at all organized into interest groups. On the other hand, state regulatory agencies (Wyoming and New Mexico are good examples) have had some success in getting carriers to establish more orderly rate patterns. This, for instance, is one reason that rates per hundred pounds per mile are generally lower in New Mexico than in other states of the region and why the arbitrary rate situation is more orderly there.

Specific changes in structure. If the opportunity arises either through formal complaint or regulatory investigation, it is appropriate to consider reasonable ways to improve this problem area.

One method is to simply make the use of arbitrary rates an orderly one. The arbitrary assessed can at least be the same between interchange point and final destination from all origins. Also, the practice would be more logical if the rate established were not "arbitrary" but provably related to the cost of performing the service. In addition, use of such beyond charges could be restricted to points not named in rate groups and not applied to points listed in existing rate groups.

Another method is to make the rate groups to which through rates apply larger. Since this requires averaging of the costs of serving any point in the rate group, it would probably require raising the rate level to the major traffic-generating point in the rate group.

A third method is to make wide use of the principle of intermediate application. Thus, the rate to an outlying point would be the rate to the next beyond important freight-generating point or rate group.

Two other possible problem areas were covered in previous chapters of this report.

Problem: Rate Levels and Class Rate Percentage Relationships

Chapter 6 of this report deals with the comparative levels of rates per hundred pounds per mile in the project study area. It also covers the matter of percentage relationship between rates for different classes of freight.

Some difference in class rate level in different states was noted; also there is some evidence that persuasive action by state regulatory agencies can cause carriers to modify these rate levels. This does not necessarily mean that rates per hundred pounds per mile should be uniform throughout the project study area. As transportation characteristics of certain traffics differ, so will transportation costs differ. Therefore, the proper relationship of rates to costs in any area is again a task for the proper regulatory agency.

In the matter of the percentage relationship between rates for different classes of freight, it would seem again that logic and order should be made to prevail. If the carriers say they are using a system in which class rates are stated percentages of a so-called Class 100 rate, let the percentages be accurate. If a rate purports to be 50 percent of Class 100, let it honestly be 50 percent and not 60 or 70. If the carriers wish to publish no rate lower than "Class 47" let them frankly say so instead of erroneously labeling the rate "Class 35." This is a matter which the state regulatory agencies might be able to resolve through negotiation or the Interstate Commerce Commission to pass upon as to reasonableness upon complaint or their own motion.

Problem: Commodity Rates

The final subject for which data were examined in this study was that of commodity rates. Here, very few suggestions for change would be appropriate. Motor freight carriers in the region are very cooperative in establishing commodity rates which will gain profitable traffic for them. Commodity rates are, by their nature, special rates for special situations and therefore are not applied generally or uniformly all over a territory.

The same general cautions which were made at the beginning of this chapter apply as objectives for the commodity rate structure; it should be orderly and it should be based on adequate information. The publication of "paper" rates which move no traffic should continue to be avoided in order to simplify tariff construction and reduce confusion. Regulatory agencies should, of course, closely supervise commodity rates to see that they are compensatory to the carriers.

Possible Legislative Change

For the most part, the inconsistencies in motor carrier rate structure discussed in this paper do not have parallels in the railroad industry. This is due, in large measure, to provisions which appear in Part I of the Interstate Commerce Act. If these provisions were made applicable to Part II of the Act, many of the peculiarities pointed out herein would become potential violations of the law rather than interesting characteristics of the rate structure. Three portions of the Act are of specific interest.

Through Routes and Joint Rates

The failure of motor freight carriers to publish through rates to every point in each state of the project study area could be corrected by legislatively requiring them to publish such rates. It would appear that the extension of Section 1, (4) of the Interstate Commerce Act to motor freight carriers would cover this matter:

> Section 1, (4) It shall be the duty of every common carrier subject to this part to provide and furnish transportation upon reasonable request therefor, and to establish reasonable through routes with other such carriers, and just and reasonable rates, fares, charges, and classifications applicable thereto; and it shall be the duty of common carriers by railroad subject to this part to establish reasonable through routes with common carriers by water subject to part III, and just and reasonable rates, fares, charges, and classifications applicable thereto. It shall be the duty of every such common carrier establishing through routes to provide reasonable facilities for operating such routes and to make reasonable rules and regulations with respect to their operation, and providing for reasonable compensation to those entitled thereto; and in case of joint rates, fares, or charges, to establish just, reasonable, and equitable divisions thereof, which shall not unduly prefer or prejudice any of such participating carriers.

It would not, of course, be necessary to include the provision pertaining to water carriers. A possible result of the application of this section to motor freight carriers would be a need to raise the level of the rate structure. This is because "equitable divisions" of revenue would require more revenue for delivery to outlying points and this cost would have to be averaged over the entire rate structure.

Elimination of Illogical Arbitraries

The above provision could do much to eliminate the use of arbitrary rates. However, it would not insure that the through rate applied to a particular short haul was necessarily the same or lower than that for

a related long haul. The extension of Section 4, (1) of the Act to motor carriers would correct this:

> Section 4, (1) It shall be unlawful for any common carrier subject to this part or part III to charge or receive any greater compensation in the aggregate for the transportation of passengers, or of like kind of property, for a shorter than for a longer distance over the same line or route in the same direction, the shorter being included within the longer distance, or to charge any greater compensation as a through rate than the aggregate of the intermediate rates subject to the provisions of this part or part III, but this shall not be construed as authorizing any common carrier within the terms of this part or part III to charge or receive as great compensation for a shorter as for a longer distance.

The references to passengers and carriers subject to part III have no application in the current instance, but the passage is quoted as it stands. The application of this provision to motor freight carriers would probably insure wide extension of the principle of intermediate application of rates. It would also insure that distance relationships of the through routes and joint rates required by the previously cited section were logical.

Shipper's Right to Route

A logical ramification of the above suggested provisions would be to give the shipper the right to select a specific route for his shipment from among the through routes which were established. This would have the side effect of aiding in the elimination of high rates due to unfortunate historically circuitous route structures. In cases such as the Idaho and Montana examples given in the text, the regulatory agency could require the carriers to establish through rates over the most direct routes available. Knowledgeable customers would then specify these routes and the carriers, themselves, might pressure for establishment of better route structures. Section 15, (8) of the Act deals with choice of route:

> Section 15, (8) In all cases where at the time of delivery of property to any railroad corporation being a common carrier, for transportation subject to the provisions of this part to any point of destination, between which and the point of such delivery for shipment two or more through routes and through rates shall have been established as in this part provided to which through routes and through rates such carrier is a party, the person, firm, or corporation making such shipment, subject to such reasonable exceptions and regulations as the Interstate Commerce Commission shall from time to time prescribe, shall have the right to designate in writing by which of such through routes such property shall be transported to destination, and it shall thereupon be the duty of the initial carrier to route said property and issue a through bill of lading therefor as so

> directed, and to transport said property over its own line or lines and deliver the same to a connecting line or lines according to such through route, and it shall be the duty of each of said connecting carriers to receive said property and transport it over the said line or lines and deliver the same to the next succeeding carrier or consignee according to the routing instructions in said bill of lading: Provided, however, That the shipper shall in all instances have the right to determine, where competing lines of railroad constitute portions of a through line or route, over which of said competing lines so constituting a portion of said through line or route his freight shall be transported.

Congress probably did not include the above provisions in the Motor Carrier Act of 1935 because the nature of the motor carrier industry was thought to be, and truly was, much different from that of the railroad industry. The two, of course, are still not identical, but the motor freight carriers of today are not the struggling localized entrepreneurs of 1935. A mature change in legislative attitude toward them is appropriate.

Closing Remarks

Hopefully, this study has produced some data which were not previously available in organized fashion. Examination of this data has led to the above statement of an array of suggestions for possible change. Orderly, moderate change is advocated rather than precipitate action. This change should be based on adequate information, but this study should not be regarded as a terminal point in collecting such information.